

The **NATIONAL UNDERWRITER**

Life Insurance Edition

Twenty Franklinites qualified for the Million Dollar Round Table in 1954!

Of 118 Companies in the most recent official listing, only 16 had a greater number of MDRT qualifiers than the Franklin Life. (There are nearly 800 Legal Reserve Life Insurance Companies in America.)

An agent cannot long travel at a faster gait than the company he represents.



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS
DISTINGUISHED SERVICE SINCE 1884

*The largest legal reserve stock life insurance company in the U.S. devoted
exclusively to the underwriting of Ordinary and Annuity plans
Over a Billion Six Hundred Million Dollars of Insurance in Force*

FRIDAY, SEPTEMBER 3, 1954

THERE WILL BE 6,000 AMBITIOUS LIFE UNDERWRITERS ENROLLING FOR C.L.U. CLASSES THIS FALL.

WILL YOU BE ONE OF THEM?



In 1952, a Silver Anniversary Survey was made by the Chartered Life Underwriters. Let's look at some success facts.

Over 3,750 of your fellow underwriters now proudly hold the coveted C.L.U. designation. Most are working full time as life underwriters, making a career of selling and servicing life insurance. They have gained the confidence and poise of recognized professional men.

94% have made life insurance their lifetime career.

3 out of 4 have remained with the same company since getting their designation.

The median production of the C.L.U. ordinary underwriter in 1951 was \$400,000 of ordinary insurance. 11% sold more than \$1,000,000.

While preparing for C.L.U. exams, most C.L.U.'s increased their incomes. They attributed these increases to their studies.

From the sales of life insurance alone, the median income of the C.L.U. was \$9,500 in 1951.

As a group:	4%	earned more than	\$34,000
	8%	" " "	26,000
	18%	" " "	18,000
	46%	" " "	10,000

New York Life Insurance Company fully supports the American College of Life Underwriters and encourages its field representatives and employees to study the C.L.U. courses. In fact, almost 300 NYLIC agents, employees and officers are C.L.U.'s and 450 more took examinations this year.

The five parts of the C.L.U. studies will help you obtain a broader knowledge and deeper understanding of life underwriting. Check any one or more of the courses which you think might be helpful to you.

- ☐ Life Insurance Fundamentals.
- ☐ Economics, Government and Social Problems.
- ☐ Business Law, Wills, Trusts and Estates, Taxation and Business Insurance.
- ☐ Finance, including Investments, Corporation Finance, Banking and Credit.
- ☐ Comprehensive Life Underwriting — a summary of life underwriting practice fitted into the practical pattern everyday life insurance problems, both personal and business. (This is the last examination to be taken.)

If you want information on enrollment for this year, contact the President of the nearest C.L.U. chapter or some C.L.U. in your community; call your local Life Underwriters' Association, or write to the American College of Life Underwriters, 3924 Walnut Street, Philadelphia 4, Pennsylvania.



NEW YORK LIFE INSURANCE COMPANY

51 Madison Avenue, New York 10, New York

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Code Cures Unfair Tax on Posthumous Commissions

Brunstrom Tells How New Tax Law Eases Problem of Agents

A section of the new internal revenue code of special interest to life



Irving Brunstrom

agents was discussed by Irving V. Brunstrom, assistant general counsel of American Life Convention, in a paper presented at the insurance section meeting of the American Bar Assn.

The new code specifies that renewal commissions still payable on the death of the widow of a life agent (or of anyone else in like circumstances) are to be subject to income tax as they are paid and are not to be commuted and regarded as ordinary income in the year of the widow's death.

Mr. Brunstrom recalled that in the Enright case the U. S. Supreme Court decided that the interest of a deceased law partner in uncollected fees for unfinished work was accruable and subject to tax in the final income tax return of the decedent. To remedy the harsh effect of this decision the 1942 revenue act included section 126 as a relief measure but unfortunately section 126(a)(2) was subject to the possible interpretation that if a life agent, or anyone else similarly situated, bequeathed his renewal commissions outright to his wife, then, upon the wife's death, the fair market value of the commissions still payable would be subject to income as ordinary income in the wife's final income tax return. The same result might occur if the wife made a gift of the renewal commissions during her lifetime.

In the new law, section 691(a), corresponding to old section 126(a), has amended the old provisions to overcome the hardship which would be caused by the pyramiding of income in a decedent's final return not only in the case of the original decedent (the agent) but also in cases involving successive decedents. The intent of the amended section is to consider the renewal commissions an item of gross income in respect of the deceased widow of the agent and provides that the recipient after her death had acquired the amount in the transaction in which the right to receive the income was originally described.

"In other words," said Mr. Brunstrom, "the person taking after the death of the agent's widow will pay income tax on the commissions only as received, instead of having their fair market value taxed as a lump sum

(CONTINUED ON PAGE 20)

Luke Kavanaugh to Retire as Colorado Commissioner Oct. 1

Luke J. Kavanaugh, Colorado commissioner since 1939, has announced he is retiring Oct. 1.

Mr. Kavanaugh was a controversial public figure in Colorado, particularly during the early days of his career. He had served as deputy attorney-general in Colorado from 1937 until his appointment by the attorney-general in 1939 as commissioner. At that time the governor voted against his appointment, maintaining the naming of commissioner was in his province. The governor made a different appointment but this did not stick.

Mr. Kavanaugh's predecessor, Jackson Cochrane, resigned after an order was issued for his removal because of incompetency. The order was issued after a mutual company was allowed to continue Colorado operations, though unable to pay claims.

There is a similar situation in Colorado today involving Pioneer Mutual Compensation of New Mexico. Pioneer's Colorado license was renewed by the Colorado department more than a year ago despite a financial statement showing it was more than \$300,000 in the red. After the company's collapse, a suit was brought against Mr. Kavanaugh, but this was not carried through.

Mr. Kavanaugh was an outspoken commissioner, often making public statements on various phases of the business. He attended Brown University and the Boston and Denver University law schools.

Gov. Thornton said the commissioner wished to retire a year ago. He added the "department has been very well thought of for the past 15 years," and that his office "had very splendid cooperation from Kavanaugh."

Mr. Kavanaugh, after a short newspaper career, practiced law in Denver for 30 years, mostly as a trial lawyer. At one time he was prosecuting attorney in the first district which comprises six counties directly outside Denver. From 1934 to 1937 he was a special assistant to the U. S. attorney

Justin McCarthy Named Director in Illinois

Justin T. McCarthy, Chicago real estate and investment broker, has been named director of the Illinois department. He succeeds Robert E. Barrett who died unexpectedly last June. Since then Laddie T. Pelnar, the assistant director, has headed the department.

Mr. McCarthy, 53, has been in the real estate and investment business in Chicago since 1926, with offices at 100 North La Salle street. From 1943 to 1953 he was chief real estate appraiser for inheritance tax purposes in the office of the Illinois attorney general, serving for six of those years under George F. Barrett, a brother of the late director.

From 1946 until recently he was a director of Prudence Life, a company in which the Barrett family has an interest.

Mr. McCarthy's appointment has been expected for some time. Recently William W. Downey, an administrative assistant to Gov. Stratton, was quoted as saying, "No matter who is director, the insurance department will be run by the governor."

The new director is a 1923 law graduate of DePaul University. His salary will be \$12,000. He and Mrs. McCarthy have five children.

In a statement Mr. McCarthy said he is accepting the appointment at a "considerable personal financial sacrifice." He said he considers the job to be both a challenge and an outstanding opportunity for service, and "intends to follow exactly, in the direction of this department, the policies of Gov. Stratton and the late Mr. Barrett."

He said he anticipates no changes in personnel and said department activities will be an open record to both press and public.

"Protection of the public's interest and of policyholders shall be our paramount concern," Mr. McCarthy said. He added the department also will look with "sympathy and understanding" on the problems of the insurance business.

general, trying and settling war risk insurance claims arising out of World War I, in six western states.

Program Announced for General Agents & Managers Meeting

President Clark of Hancock to Address Luncheon; New Plan for Concurrent Panels

Paul F. Clark, president of John Hancock, will discuss "The New Look in Selling" at the luncheon session Sept. 21 of the General Agents & Managers Conference of National Assn. of Life Underwriters at Boston during the NALU annual meeting.

The afternoon session will open with the presentation of awards for best articles in *Manager's Magazine* and *District Management* magazine by Lewis W. S. Chapman, director of company relations of the LIAMA, which sponsors the awards annually.

Speakers will be Coy G. Eklund, manager Equitable Society, Detroit, on "Functionalizing an Agency"; Ben F. Hadley, vice-president Columbus Mutual Life, "Activating the Average Agent"; and John W. Yates, general agent Massachusetts Mutual, Los Angeles, "It Takes a Little More."

Ray Wertz, Lincoln National Life, Detroit, GAMC chairman, will preside at the luncheon and later at the business meeting. M. L. Camps, John Hancock, New York City, will preside at the program session. He is vice-chairman of GAMC and heads the program committee. The luncheon will be at the Hotel Statler. The GAMC business meeting and afternoon program session will be at the John Hancock home office.

An innovation in panel meetings will be introduced during the GAMC evening program. Two separate concurrent panel discussions will take place—one for heads of ordinary agencies, the other for combination agency leaders. Each moderator will set the stage for his group by citing a vital problem relative to his work and each of the four agency heads on the panel will describe in five minutes one method by which he has successfully overcome the problem. Following a question and answer period each moderator will summarize the points set forth by his panel group.

The panel for ordinary agency men will discuss "Establishing and Developing Men After Their First Year." Panel members include Moderator Charles J. Zimmermann, managing director of LIAMA; Hugh S. Bell, Equitable of Iowa, Seattle, on "Stimulating and Motivating New Men"; Harry L. Hamilton, Home Life of New York, Louisville, "Training the Man for a New and Higher Level Market"; David Marks, Jr., New England Mutual, New York City, "Continued Training After the First Year"; and Earl M. Schwemm, Great-West Life, Chicago, "Actual Close Cooperation."

The subject for the combination panel is "Producing Successful First Year Agents." Panel members will be Moderator Karl H. Kreder, 3rd vice-

(CONTINUED ON PAGE 20)

Late News Bulletins . . .

Ralph Lounsbury to Address LAA Convention

Ralph R. Lounsbury, president of Bankers National Life and also of American Life Convention, has been added as a speaker for the annual convention of Life Advertisers Assn. Sept. 27-29 at the Sheraton-Gibson hotel, Cincinnati. Mr. Lounsbury will address the opening session on "Significant Sights to See."

ALC General Session Speakers Announced

General sessions speakers for the annual meeting of American Life Convention at Chicago Oct. 5-8 have been announced.

Appearing Wednesday will be Commissioner Knowlton of New Hampshire and R. M. Sale, president of Ford Motor Co. of Canada, a director of Great-West Life. On Thursday talks will be made by Edmund Fitzgerald, president of Northwestern Mutual Life; Mrs. Oveta Culp Hobby, Department of Health, Education and Welfare Secretary, and John J. McClay, chairman of Chase National Bank, New York City.

ALC president, Ralph R. Lounsbury, president of Bankers National Life,

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Specific Techniques Help Managers in Obtaining Trade-Press Publicity

By JOHN L. LOBINGIER, JR.

This article was written by John L. Lobingier, Jr., LIAMA director of public relations, as a supplement to the September issue of LIAMA's Manager's Handbook. It contains so many usable ideas on obtaining publicity in the trade press that it is presented here for the benefit of those who do not receive the Manager's Handbook.

Did you ever wonder why some managers get good trade paper publicity for themselves and their organizations—while others get little publicity or none at all?



John L. Lobingier, Jr.

The distinction is not because of any wish to discriminate on the part of editors. Rather, it is because (1) some managers are always on the lookout for the kind of information in which the main body of readers will be interested and (2) they take the trouble to send this news to insurance publications.

It is a fact of life that no insurance paper has all the staff it could use. Consequently, each paper depends to a great extent upon interesting material that is contributed, usually by those who are involved in the news they send in. Thus managers who are successful with their trade press publicity realize that not only must news be

sent in but it must contain full information about a subject of interest to the majority of readers.

By appreciating this situation and by contributing the type of material editors seek, life insurance men help to build a strong, vigorous insurance press. This way each agency head will find ample opportunity to place in the press legitimate news about his agency.

"Trade press" is the popular term for the more than 50 commercial publications in the United States and Canada which devote space to life insurance. Some circulate nationally, even internationally. Others are regional or local. Each has its own editorial policy; each its own publication objectives.

Agency heads should be familiar with the major national publications plus those covering their community or region of the country. When releasing agency news, it is worth remembering that items unacceptable to national publications may be welcomed by a regional or local paper.

While most trade papers accept both news items and feature articles, each customarily emphasizes one or the other. When you learn the characteristics of a publication and then slant your material accordingly, your chances of getting into print are good.

No less authority than a leading insurance editor said recently: "It is easier to obtain publicity in the insurance press than most general agents realize." He suggests that many have never tried to get publicity. Others

have become discouraged after once sending something an editor rejected.

Saying this, the spokesman hastens to add that it is not greater quantity of news releases that is desired—but greater quality. His colleagues second the motion. The editor of a nationwide publication comments: "Since space is usually at a premium and we cannot concentrate on one city or region, I don't think we can use a great deal more agency news than we do now."

So what is the answer for the agency head who would step up his lineage in the trade press? It is to find out what kind of items editors want—then concentrate on these items. When contributions are timely and newsworthy, they will make the grade. Suggestions as to what editors want—and don't want—are found in the balance of this supplement.

Some agencies release their own news direct to the trade papers. Others, according to company dictates, suggest items to the home office for release at that level. In either case the initiative should lie with the agency head.

Try this test on your next release to the trade press to determine whether or not it is worth sending:

"Would I be interested in reading this sort of news if it were about an agency of another company in another city and I didn't happen to know the general agent personally?"

Most editors concur in this proposition: "We are always looking for good material about how somebody solved a problem of a kind that is fairly common. This would mean that a lot of other general agents and agents face the same problem and are interested in his solution. For example, right now when costs of running agencies are putting the pinch on nearly everybody, any cost-cutting procedure or device, if told in a specific way, would be a sure space-getter in our paper. Then, we are always on the look out for good material on how an agent is doing a successful selling job."

Editors also seem to agree that a good subject for news releases is the extra-curricular activity of the manager or his agents. A caution: Most papers will not print an item about one man's election as officer of a local insurance group unless the full slate of officers is included.

On a man's election with a non-insurance organization the local or regional publication will probably be more interested in the story than the national papers.

One manager who has had considerable success with his trade paper publicity offers this suggestion: "A good way to score in the insurance papers is to build your release not only around a member of the agency, but also tie it up with some local situation that has current insurance news interest. For example, there may be a rebating situation popping up, or a local ruckus over a bank-loan sales campaign. Here are situations of news interest and maybe all the general agent does is denounce this sort of thing. But because he ties himself up with a newsworthy situation, he will have little trouble getting himself mentioned in the story which the editor is usually glad to have."

Someone has said a picture is worth 1,000 words. Yet because it costs money make a picture into a cut for printing, editors are sometimes as reluctant to use a picture as they are to report your story in 1,000 words.

From the contributor's standpoint, (CONTINUED ON PAGE 19)

Hemispheric Meet Did Much to Forge Insurance Ties

NEW YORK—Despite curtailment of proceedings on account of the suicide of President Vargas, the hemispheric insurance conference at Rio de Janeiro accomplished much in promoting closer insurance ties in the Americas, according to President Holgar J. Johnson of the Institute of Life Insurance who returned early this week by plane from Brazil.

Mr. Johnson felt that much progress was made toward promoting the ideal of free enterprise in insurance, and freedom of action and interchange of information among western hemisphere insurers.

The next conference will be in Buenos Aires in 1956.

Mr. Johnson said the last two days of the conference, planned as almost entirely social, were eliminated following President Vargas' suicide, but this curtailment of the program was entirely out of respect to the Brazilian president and not because of any restraints or dangers that the conferees were subjected to. While there was a general atmosphere of tension in Rio and groups of any size on the streets were dispersed by soldiers, Mr. Johnson said there was no feeling on the part of Americans or others attending the conference that they were in any personal danger.

Life Stocks Register Small Gains in Aug.

Of the 19 most actively traded life company stocks for which figures are compiled by Shelby Cullom Davis & Co., New York City insurance stock and municipal bond specialists, 12 showed increases and five small declines in asked prices. Below are the bid and asked prices as of Sept. 1, together with the changes in "asked" price since Aug. 4, the latest date for which THE NATIONAL UNDERWRITER printed these stock figures.

	Bid	Asked	Change
Aetna Life	139	141	-13%
Colonial	87	90	-1
Columbian Nat.	93	95	3
Conn. General	372	none offered	
Continental Assur.	165	170	4
Franklin	79	80 1/2	4
Great Southern	70	none offered	
Gulf Life	29 1/2	29 1/2	- 1/2
Jefferson Std.	89	91	14
Kansas City Life	935	950	20
Life & Casualty	32	32 1/2	2 1/2
Life of Virginia	98 1/2	99 1/2	2
Lincoln Nat.	314	318	- 2
Monumental	79	80	8
National L. & A.	73 1/2	74 1/2	2
Northwestern Nat.	60	62	7
Southland Life	158	162	16
Southwestern Life	129	132	3
Travelers	1445	1465	-35

Pacific Mutual Names Ripley San Diego General Agent

Chapin R. Ripley, supervisor at Los Angeles of Pacific Mutual Life, has been advanced to general agent at San Diego, succeeding Richard B. Wegforth, who will manage the group office there.

Mr. Ripley joined Pacific Mutual as an agent in 1951.

Schottland Heads Social Security

Charles I. Schottland has been sworn in as commissioner of social security, succeeding John W. Tramborg. Mr. Schottland was formerly director of the California department of social welfare and, at the time of his appointment by President Eisenhower, was chairman of the national council of public assistance and welfare administrators.

ATLANTIC CUBRENTS

New Benefits Added To Agents' Program

Atlantic Life has just broadened its Contributory Insurance Plan for members of its agency force. This is in keeping with the company's aim to provide liberal compensation and sound benefits for those who work with Atlantic Life.

Under the extended program the benefits of accident and sickness, hospital and surgical coverages are provided. In addition, a maximum of \$10,000 of group life may be obtained.

Here is one more reason why Atlantic can claim a record of continuing progress.

ATLANTIC LIFE

INSURANCE COMPANY
HOME OFFICE: Richmond, Virginia

More than a Half-Century of Service

QUALIFIERS SET RECORD

Conn. Mutual Leaders Get Workable Market Tips on Business Insurance, Middle-Income Buyers

A record number of Connecticut Mutual agents, 129, attended the Leaders' Round Table conference held at the Greenbrier, White Sulphur Springs.

E. A. Starr, superintendent of agencies and head of the advanced sales division, was chairman. He stated that the round table members had accounted for \$88,818,000 of the company's volume during the 12 months ended June 30, an average of \$700,000 per man.

Geared to the needs of men largely engaged in the field of advanced sales, the program included talks and discussions on estate planning, business insurance and pensions. Of special interest and timeliness was the round table discussion covering the revenue act of 1954.

At the president's dinner President Peter M. Fraser honored the 12 leading agents. Robert H. Goldsmith, Bates agency, Los Angeles, led the company in production during the 12-month qualification period, with paid-for sales in Connecticut Mutual of \$3,212,000. Runner-up was Isadore Dretzin, Josephson agency, New York City. The other agents honored by Mr. Fraser, all of whom had produced over \$1,000,000 of new business during the 12 months were Edward T. Kirtz, Cleveland; Russell C. Whitney, Chicago (Hunkin agency); Jerome Adler, New York (Josephson agency); Barney Nuel, Los Angeles (Jones agency); Donald C. Newton, Syracuse; Bernard H. Zais, Rutland; Richard B. Hardy, Toledo; Reginald H. MacMinn,

Boston (Cobb agency); Fred Brand, Jr., Pittsburgh; and J. Robert Wilhelm, Philadelphia (Maffett agency).

The meeting was closed by George F. B. Smith, executive vice-president. The 1955 meeting of the Leaders' Round Table will be held at the Hollywood Beach hotel, Florida. Plans have been made to hold the 1956 meeting in the new Hotel Statler which is

soon to be completed in Hartford.

W. Gibbs McKenney, Jr., Baltimore attorney specializing in federal taxation, estate planning and business law said: "It can be safely said that business men probably have a greater need for sound and practical estate plans than any other group in the country. In developing an estate plan for a business man, an important point to bear in mind is that every problem differs in scope, detail and emphasis. It is certainly self evident that each estate plan should stand on its own feet and that stereotyped thinking and planning can only lead to unfortunate

results and loss of security to family members.

"The legal ramifications of any estate plan—and especially one for a business man—are far-reaching in effect, and they require accurate interpretation and application of both local law and federal tax law. In attempting to formulate a practicable, feasible and flexible plan for the sale or retention of a business interest and for the protection of both the assets and dependents, it is usually necessary to pool the objective thinking and experience of the attorney, trust officer and life un-

(CONTINUED ON PAGE 16)



says Mrs. Clyde Greco
Greensburg, Pennsylvania

"When we were married, Clyde was a driver on a furniture truck. His job was secure, but Clyde was sure that, as a truckdriver, he would never be able to provide for our security and that of our children in the way he would like. In our case, 'security' meant lack of opportunity. Yet the very safety of Clyde's job made us hesitate to change to life insurance sales as a full-time occupation.

"At that time we had three small children and were expecting a fourth. We knew we had to make up our minds. The announcement of what Clyde planned to do came suddenly. One day he returned home from work with a grin on his face.

"Well, Helen,' he said, 'some day I'll tell the kids how I used to drive a furniture truck!'

"Since then our future has grown brighter and brighter.

"What's Clyde doing today? Selling life insurance for Minnesota Mutual. He goes to college, too, as he's always wanted to. Once he's finished his education, he'll be able to do even a finer job as a life insurance man.

"The benefits we're enjoying through Clyde's association with Minnesota Mutual have changed our lives in many ways. Clyde's increased income has helped to pay the expenses of a family of six. In addition, we've started funds for the education of the children. We have protection through the company's group insurance plan, as well as the start of a nest-egg for our retirement.

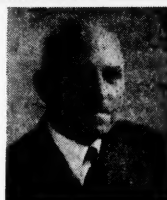
"Our association with Minnesota Mutual has been most pleasant, with Clyde satisfied that his efforts have really been rewarded. We've had good times, been able to buy good things, and have met many nice members of the Minnesota Mutual 'family.'

"Yes, we're proud of the momentous decision Clyde made in 1953. And we're pleased with the way Minnesota Mutual is making our dreams come true."

Clyde C. Greco joined Minnesota Mutual on a part-time contract in 1952, became a full-time agent in 1953. He wrote \$830,880 in life insurance sales last year and qualified among the "President's Dozen" of 1953 leading salesmen. He is currently a member of the company's "App-A-Week" club for selling one or more policies each week, and of the "50 Club" for producing over \$50,000 in new business per month. Mr. Greco's brief but brilliant sales record points to the making of another "Success Story"—his own.

This letter, written by the wife of a Minnesota Mutual salesman, is published here as a deserved recognition of the enduring contribution she and her husband are making toward the continuing growth and progress of this company.

C.L.U.
spells
sales
success



as demonstrated by one of
Etna Life's leading leaders,

H. Cochran Fisher, C.L.U.,
Washington, D. C.

"As a 25-year holder of the C.L.U. designation I can safely say that it has brought satisfaction and increased earnings due to the training I received and the confidence which my clients have in the designation.

Along this 25-year route it has been interesting to me to watch the holders of C.L.U. forge to the top. Of course, there are many non-C.L.U.'s who make a success in life underwriting, but I expect the designation once attained makes success easier."

H. Cochran Fisher, C.L.U.
Etna Life Insurance Company
Washington, D. C.



Hartford
Conn.

**THE MINNESOTA MUTUAL
LIFE INSURANCE COMPANY**

ORGANIZED 1880 • ST. PAUL 1, MINNESOTA



Chartered

LIFE UNDERWRITER

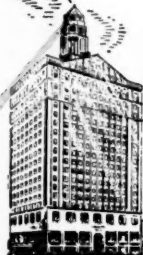
study courses will soon be organized in many cities and towns. The Company recommends that its associates enroll and participate actively in such local study courses.

The Company is proud of its 48 field and home office associates who have qualified for the CLU designation, and of its many representatives now completing CLU studies. The Company has long endorsed and supported the CLU movement. It contributes to the Cooperative Fund and includes CLU studies as an integral part of its training program. It presents engraved CLU keys to graduating candidates and pays their expenses to attend conferment exercises.

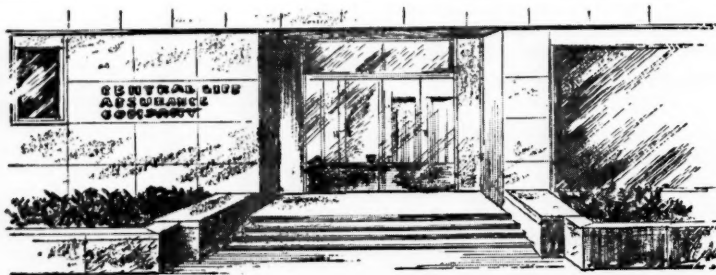
EQUITABLE LIFE

INSURANCE COMPANY OF IOWA

KEYED FOR
CAREER LIFE
UNDERWRITERS



FOUNDED IN 1867
IN DES MOINES



New home for a growing company

Efficient management plus carefully chosen and trained personnel have combined to maintain the sound and consistent growth of Central Life over the last 58 years.

As a result, one of the most modern office buildings in the midwest is now under construction and will soon house the company which has established this enviable record.

"Where QUALITY is the Keynote"

Central Life offers ambitious Life Underwriters and General Agency minded men . . .
A STRONG COMPANY
GENEROUS COMPENSATION
EFFECTIVE TRAINING
EXCELLENT TERRITORY



CENTRAL LIFE ASSURANCE COMPANY • Des Moines 6, Iowa

Gilbert Elected Head of Wis. A & H Assn. at 1st State Rally

MILWAUKEE—With registration of 467, the first statewide sales congress of Wisconsin Assn. of A and H Underwriters at Milwaukee was one of the largest ever held by an A & H association. Leonard A. McKinnon, president of the International association, was honored at a dinner, attended by Wisconsin officers, which was held the day before the sales meeting.

Charles H. Gilbert, Woodmen Accident & Life manager at Madison, was elected president to succeed Gibson Wright, Continental Casualty, Eau Claire; Leo E. Packard, Packard-Carson agency, Milwaukee, was reelected to his eighth term as secretary, and Alfred K. Perego, Franklin Life manager at Milwaukee, was named treasurer.

Regional vice-presidents named were F. E. Chase, Woodmen Accident & Life, Green Bay; Alex S. Dorman, Racine agency; Hugh G. Raymond, Massachusetts Protective, Madison; Dale B. Potts, Occidental Life, Milwaukee; Arthur Wellens, Time, Fond du Lac, and George E. Welter, Washington National, Eau Claire.

Six state past presidents and 17 Milwaukee association past presidents were presented with plaques. Plans for an extensive membership drive were discussed, and the legislative committee, under Vice-president Potts, was directed to formulate plans for a proposed state A & H agent's qualification law.

Following adjournment, many of the agents and their wives attended the baseball game between the Milwaukee Braves and the New York Giants.

Speaking on "What Are We Afraid Of?" Mr. Gilbert, a past president of the Madison association, emphasized that agents deal with human nature, an interesting subject and not to be feared.

"We shouldn't be afraid to tell more people why they should own a good A & H policy and to ask them to buy one," he said, suggesting that agents read newspapers for reports of accidents and follow up by canvassing those neighborhoods for business.

Many agents do not realize they are in fertile territory and start looking around for green fields, Mr. Gilbert continued. Call on people in any territory, for all people are prospects. Cold canvassing gives the agent a good cross section of the people in his territory.

Dogged persistence commands remembrance of a salesman. "The cold canvass has always been interesting to me," he said, "and it certainly knocked the fears out of me so that I now am not afraid to talk to anyone. Too many agents are afraid that the prospect will say 'No' before they present their sales talks and that lessens their efficiency and spoils sales."

Oiling up the sales machinery to achieve success was discussed by R. L. McMillion of Business Men's Assur-

ance, Abilene, Tex. He told how he had used various methods, such as sending thank-you cards to new policyholders on the day of the sales; stopping to say "Hello"; sending congratulatory notes on anniversaries, and sending or phoning thanks on renewal dates. Mr. McMillion suggested that agents get people to help them, since it makes them feel superior.

A sales message injected into a pattern of humor was given by Armand Sommer, International past president and vice-president of Continental Casualty, whose talk was entitled "Some Wit From an Old-Timer," to conclude the luncheon session.

"Words Are Your Weapon," was the subject of Chester C. Elson, Mutual Benefit, Waterloo, Ia. Five qualities that make great salesmen, he said, are enthusiasm for the job; taking advantage of emotions, which sell more than logic; considering little things important; imagination and vision in viewing the prospects' needs, and sticking to a well organized sales talk.

The importance of cooperation from wives and making them more insurance minded were stressed by Charles E. Rea, Ontario Provincial manager for North American Life and Casualty. Agents were advised to adopt a definite success formula and stand by it by Reginald Snyder, Houston, district manager of American Hospital & Life. Mutual Benefit's movie, "Two Cheers for Charlie," was shown at the banquet.

General Interest Card Ready for N. Y. 1-Day

The agenda for New York insurance day, Sept. 15, has been completed. New York CLU chapter will sponsor a panel discussion during the morning session on the public, the broker and the CLU. Participants will be Samuel L. Zeigen, Provident Mutual, president of the New York chapter, and Bernard Eiber Mutual Trust Life, educational vice-president. The panel will be followed by a discussion sponsored by A.&H. Club of New York.

During the lunch and dinner hours, newly released films will be shown by several organizations.

Institute of Life Insurance will present "The 1954 Model in Life Insurance" under the direction of Dudley B. Martin, director of press relations. Harry K. Gutmann, Mutual of New York, president of New York City Life Underwriters Assn., will take part in the mid-afternoon program which includes a discussion of the services of a producer.

Featured speakers at the evening session are Superintendent Bohlinger, Walter J. Mahoney, majority leader of the state senate, James C. Worthy, assistant secretary for administration of U. S. Department of Commerce, and Fred J. Stock, president of New York Board of Trade. They will be introduced by William R. Ehrmanntraut, chairman of the executive committee of Insurance Federation of New York.

• The Ray Dolwick Agency of Northwestern Mutual life at Cleveland had July paid-for production of more than \$1,800,000, making it its best month.

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Suggestion for 'Equity Annuity' to Top Mutual Funds' Appeal Wins Plaudits

In the July 30 issue *The National Underwriter* published an article giving the views of a prominent agency manager who believes life companies should go the mutual funds one better and offer the "equity annuity" plan as a supplement to the guaranteed-dollar annuity and the life-income option for buyers who want protection against changes in the purchasing power of the dollar. The *National Underwriter* invited comment from its readers. Following are two letters. The first is from B. William Steinberg, general agent for Massachusetts Mutual Life at Jamaica, N. Y., a CLU whose agency specializes in programming, estate planning and advanced underwriting procedures. The second letter is from James C. Sellers, manager of the life department of the H. K. Coffey agency of United Benefit Life at Portland, Ore.

Your article on page two of last Friday's *NATIONAL UNDERWRITER* is certainly thought-provoking. It is always advantageous to publicize any really new idea in the industry.

If the insurance industry is to maintain the lead it now enjoys as a trust in safeguarding the future welfare of its insureds and their families, some new avenue of serving a public need seems to be indicated.

An annuity based on an equity investment principle, tied in with the scientific actuarial guarantees of lifetime income, may very well be the answer.

It certainly deserves complete study and consideration by our companies. The marketing of such a plan would add to the background and stability of the life insurance company, an already trained and existing sales force.

Of course, every effort would have to be exercised to keep the marketing of such a plan directed toward the proper purchasers. We believe that the experience of the underwriting departments could be useful in this respect so that, to some degree, there could be some assurance that equity investments would be made only by people

who can safely invade this investment field.

It would permit some supervision, so that there would not be indiscriminate investments made by people who have no place in equity investments. We know that one of the major areas of difficulty between the salesman of mutual funds and the life insurance underwriter is the type of people to whom mutual funds are now being sold. Certainly mutual funds have their place but in so many cases the mutual fund salesman does not follow the stated principles of the investment companies themselves as to the proper prospect for mutual funds.

You are to be congratulated for bringing this material to nationwide attention and we will watch with interest the further developments.

Mr. Sellers writes:

Granting that the system of mutual funds is sound, when management continues sound, I am convinced life companies should incorporate this service. We have the public confidence, and a natural physical setup to meet this now-evidenced demand by the public for this service. Unless companies do this we will realize with increasing rapidity the inroads which mutual

funds will inflict in what is our developed field.

By adopting the service now, life companies will preclude the disadvantages which already appear certain. It will be a step further in the modernization of life insurance service. To fail to do so will only be delaying the move which will certainly later become necessary and, then the mutual funds as we know them now, will have a very strong foothold.

Agents Get Ready for Busy Legislative Year in Ind.

The executive committee of Indiana Assn. of Life Underwriters will meet in Indianapolis Sept. 10 with the legislative committee to discuss strategy for the session of the Indiana general assembly which opens in January. Commissioner Wells will attend and discuss his legislative program.

Indianapolis General Agents & Managers Assn. and Indianapolis A&H Assn. also will be represented as Horace Storer, Bankers Life of Iowa; Indianapolis, heads the legislative committee of each and also is a member of the life agents committee.

The life agents already have resolved to seek tighter legislation on formation of new companies and the commissioner has expressed himself as in accord with such revision.

Observers in the state predict a rash of bills adverse to insurance. Among proposals expected are for compulsory disability insurance and authorization of dependency and association group life.

Clarence A. Jackson, president of American United Life, was guest business editor of the *Indianapolis Times* one day during the vacation absence of Harold Hartley. He wrote an article entitled, "Indiana Growing Up As Insurance Center."

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sales
success



as demonstrated by one of
Aetna Life's leading leaders,

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Detroit-McLaurin

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EARN MORE IN '54

Mintz Gives His Techniques for Handling Typical Business Insurance Opportunities

Specific situations that have resulted in the sale of business life insurance were cited by Edward J. Mintz, New York Life, Salinas, Cal., in his room-hopping session at Coronado, Cal., at the recent Million Dollar Round Table annual meeting.

In one, partners incorporate or new corporations are spun off. This usually indicates the business is growing and profitable. Often there is old cross-purchase insurance, which suggests various steps: If the stockholders are insurable, each might buy back and own the insurance on his own life and the corporation will own and be the beneficiary and premium-payer of the new insurance. Even if no sale results, it is good for the agent's soul, and more often both his soul and bank account are improved.

In situations where it is necessary to keep stock in the family and still get cash into the estate, and the stockholders do not want an insured purchase agreement, section 115 (g) (3) of the tax law has been useful.

This section, Mr. Mintz said, is "the best friend business insurance ever had, and it promises to be even better under the new tax law."

He listed two situations in which the section can be employed. In the first, stock of two stockholders has been retired in part. Under 115 (g) (3) the heirs lose equality of control. In the second, attorneys have had non-voting common (or preferred) issued, which is retired under 115 (g) (3), thus maintaining parity of voting control.

In a recent situation a purchase agreement by three young, active stockholders and an older, uninsurable stockholder provided for stock retirement at book value, which was undervalued, but the younger stockholders thought the older would die first and wanted to acquire his stock at a bargain.

Suppose, however, he said, one of the younger stockholders died first. He has been working hard, making the company successful, plowing back

profits. Does he want to deprive his family of part of what is rightly his by having his stock sold for so much less than it's worth? Section 22 (b) (1) to the rescue!

The purchase agreement value is kept at book (at least until the oldest stockholder dies) but a new agreement provides for salary continuance for two years after the death with the first \$5,000 not reportable as income under 22 (b) (1). The company buys insurance on three younger key men to fund the agreement so it will receive the insurance proceeds tax free and take a deduction (if reasonable) for additional compensation under current tax regulations.

Balance sheets are valuable, he said. Often there are demand notes payable to corporation stockholder-officers. On the stockholder's death the executor may demand payment. Often the corporation will insure the stockholder for the value of such notes to have funds when payment is demanded and the estate needs money for taxes, etc., but does not want to sell the "family stock".

The trend has been toward stock retirement and away from stock purchase, but when a group of stockholders who themselves control stock purchases with cross ownership, insurance among this group may be called for.

The problem in another corporation was that the inactive stockholder was interested in dividends and the active stockholder was interested in business expansion. The solution was this: The inactive stockholder received preferred stock for common and the active stockholder now can declare dividends on the preferred without having to declare it on the common. The younger, insurable common stockholders now enter into an insured purchase agreement and are no longer concerned with the necessity of building reserves to buy the inactive, uninsurable stockholder's stock.

In two family corporations, he went on, trusts were created for the heirs, insured stockholders, on whose death stock will be purchased, thus bringing funds into the estate when needed and keeping the stock in the family.

He discussed a non-qualifying compensation plan for a very successful salesman whose company was willing to pay him an additional compensation of \$5,000 a year. He is 48 now and wants increased income between 60 and 65 when his company pension and social security pay off, and does not want to pay the tax on additional income now.

To provide the funds to give him \$10,000 a year from 60 to 65, the company owns on him and is the beneficiary of a \$50,000 endowment. He will receive \$10,000 a year between 60 and 65 and agrees to continue to contribute his services and not to compete. This "boomlet" in such plans should become a full scale "boom" if certain pending tax law changes are enacted, Mr. Mintz said.

In business estate planning he usually tries to show the stockholder the problems that occur on the death of his fellow stockholder, and then the effect of new business insurance, coordinated with personal life insurance and other assets, in providing the needed income for his family. Generally, he said, the old personal insurance with its higher guarantees will be used for family income, with the newer business insurance for taxes, etc.

There is no real separation between
(CONTINUED ON PAGE 14)

Woodmen Accident Takes New Name; to Write Life

Woodmen Accident officially voted a change in name to the Woodmen Accident & Life at a special policyholder meeting. Amendments voted on at the meeting also authorize the company to write life insurance and annuities. Names and operations of Woodmen Central and Woodmen Central Life have not been affected.

IASA to Plan Conference

A meeting of the directors and committees of Insurance Accounting and Statistical Assn., has been scheduled for Sept. 23-25 in Chicago. They will plan the annual conference to be held in May, 1955. Albert H. Benson of Lumbermen's Mutual of Ohio, is chairman and A. J. Schnese of North American Accident, is president of the association.

C.L.U. spells sales success



as demonstrated by one of
Aetna Life's leading leaders,

Lawrence G. Bell, Jr., C.L.U.,
Toledo

"There are three concrete reasons I am particularly pleased to be a Chartered Life Underwriter. Men of other professions with whom we work in advanced underwriting cases recognize it as a mark of professional competence. Being a C.L.U. creates inner confidence in advising clients and prospects objectively on insurance matters in light of their needs. And, finally, it is good to be part of a movement that adds materially to the professional aspects of life underwriting in the minds of the insuring public."

Lawrence G. Bell, Jr., C.L.U.
Aetna Life Insurance Company
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- ✓ A benefit that pays 75% of the cost of an artificial limb needed to replace a loss occurring while insured
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Where? Occidental, of course!

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Agenda Completed for LOMA Conference to Be Held Sept. 27-29 at Washington

The complete agenda for the Life Office Management Assn. Annual conference Sept. 27-29 at Washington, D. C. has been released. Noel S. Baker, president of LOMA, is general chairman of the meeting and delegates will be welcomed by Lloyd K. Crippen, vice-president and actuary of Acacia Mutual.

At the first session Mr. Baker, who is vice-president of John Hancock, will speak on today's challenge to management and Morris G. Fuller, president of State Farm Life, will discuss making the maximum use of LOMA facilities.

After the association luncheon Martin Goland, director for engineering sciences of Midwest Research Institute, will talk on management planning through operations research. The formal reception of the conference will be on the first evening before the association banquet.

Gerard L. Soelter, 1st vice-president of LOMA and secretary of Southwestern Life, is chairman of the second day's session. J. McCall Hughes, vice-president and comptroller of Mutual of New York, will speak on cost controls as a tool for management and a demonstration on life office applications of the electronic calculating card punch machine will be given by L. Mowbray Clark, supervisor of the planning department, and J. F. Emms, supervisor of the Hollerith machine service department of Sun Life.

A series of concurrent panel discussion meetings will be held in the afternoon. Walter S. Bearden, Jr., vice-president and manager of the industrial department of National Life & Accident, will be in charge of the session at which a panel will discuss industrial office methods and procedures.

Another panel, at which Robert E. Slater, vice-president and controller of John Hancock, will be session chairman, will discuss aspects of cost controls. Sterling T. Tooker, 2nd vice-president of Travelers, will be session chairman and speak on the responsibility of personnel administration for community and public relations at the third session that afternoon. Abram T. Collier, vice-president of John Hancock, will discuss problems in clerical and supervisory performance rating; George Wilgus, manager of personnel of Mutual of New York, will speak on life office salary administration; Edward A. Robie, personnel director of Equitable Society, on some views on job enlargement; Elmer W. Earl, Jr., assistant secretary of LOMA, on the use of absenteeism and turnover statistics; and Miss Louise M. Newman, personnel director of Northwestern Mutual Life, on trends in personnel administration as discussed at the mid-west regional personnel seminar.

Planning round tables will be held Sept. 29 by the regional committees attending the conference.

The eastern committee will discuss policy issue routines, a work simplification program for supervisors, quality control, maintenance of policy application files, annual billing of monthly premiums, and payroll accounting and procedures.

The mid-west committee will discuss internal auditing techniques, clerical procedures in the underwriting department to facilitate policy issue, A & H billing and accounting procedures, converting to punched card billing, procedures for handling machine and equipment inventory records, and survey techniques for meeting future space requirements.

The Canadian committee has on its agenda group premium billing, some applications of punched cards to group work, expense control for field office operations, procedures for

handling medical fees, stub accounting for mortgage loans, and level payment of commissions.

The southern committee program includes an evaluation of contact reproducing machines, stock requisition and supply room procedure, factors involved in establishing a central medical impairment card bureau, simplification of policy forms, controlling the staffing of operating units, and functions and responsibilities of a cashier's department.

Discussions at the north Atlantic committee meeting will cover cost, distribution and value of books, magazines and services, techniques and forms used in conducting departmental audits, development of a policyholder's service department, evaluating a company-operated printing department, methods of preparing policies and related records, and administration of typing and transcription units.

The agenda for the southwest committee includes procedures for handling automatic premium loans, use of guide letters, form paragraphs, form letters, and printed notices in policyholders' correspondence; punched card premium accounting; organizing a new planning department; effective control and design of office forms; and establishing and administering a destruction of records program.

The western committee will cover the public relations aspect of life insurance forms, an approach to electronics by a medium-size company, and centralizing service functions in the smaller home office.

Prudential's South Bend, Ind., office will be moved about Nov. 1 from the Sherland Building to a new, one-story building at 2620 Mishawaka ave.

Conn. Mutual Leaders at Round Table Meeting

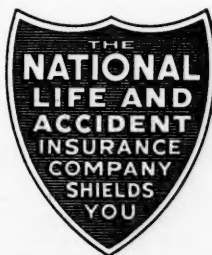


Shown at the Connecticut Mutual Leaders Round Table meeting at White Sulphur Springs: Raymond W. Simpkin, agency vice-president; Isadore Dretzin, Josephson agency, New York City; Robert H. Goldsmith, Bates agency, Los Angeles, and E. A. Starr, superintendent of agencies. Mr. Goldsmith was the company's top producer and Mr. Dretzin the runner-up.

READIN' AND WRITIN' and LIFE INSURANCE

SCHOOL Bells ring again, and back they go to school and college to resume their preparations for adult life ahead.

Who knows how many thousands of them would not be returning this year were it not for the services of Life Insurance and a good Agent? Or how many might otherwise have to drop out before this year is over?



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Shivers' Renomination Win for Texas Board

The renomination of Governor Allan Shivers is considered by some as an endorsement of the Texas board of commissioners. The state's "insurance situation" was a hot issue in the recent Democratic primary, with Shivers' opponent, Ralph Yarborough, declaring among other things that he would "fire all three members of the board".

As reported previously in THE NATIONAL UNDERWRITER, the various segments of the insurance business in Texas are considering organization of an insurance industry council, using insurance federations of other states as models, to eliminate trouble spots. Earl W. Gammage of the Pan American group of Houston, chairman of the steering committee formed last June in Dallas by representatives of 18 branches of the business, has said that "recent developments not only make it

advisable but imperative that we have such an organization at the earliest possible date." He referred particularly to the Illinois Insurance Federation as providing the type of services that would be of great benefit in Texas.

Concurrently a study has been released dealing with the failures of 64 Texas insurers during the 15 years since Sept. 1, 1939. Broken down by types of companies, they were: County mutual fire, 18; stock, 12; mutual, 11; reciprocal exchanges, 5; Lloyds, 4; burial associations, 6; fraternal, 4; and local mutual aid associations, 4.

Most of the stock failures involved insurers affiliated with Lloyds or mutual groups.

Another breakdown shows that 32 of the failures occurred from 1939 to 1945 and the balance between 1947 and 1954. The worst year was 1941 with eight failures, with 1940 and 1942 recording seven. There were five failures in 1949, four in 1950, six in 1951, four in 1952, six in 1953 and five in 1954.



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Rates and Ratings Spotlighted at Big Provident L.&A. Meet

Provident Life & Accident agents at their heavily attended convention in Chicago were told about a new monthly premium payment plan, revisions of rates on a number of ordinary life plans, reductions of premium rates on substandard business, and liberalized underwriting rules on occupational classifications, all going into effect Sept. 1.

The convention theme was "Money—the Sixth Sense," based on a quotation attributed to Somerset Maugham: "Money is like a sixth sense without which you cannot make use of the others." Vice-president and Secretary Sam E. Miles told the agents that the changes being put into effect made the prospects for achieving this sixth sense for the insured even better.

The convention opened at a banquet, with Mr. Miles as toastmaster. Following welcoming addresses by Chairman Robert J. Maclellan and President Robert L. Maclellan, Mr. Miles introduced members of the Maclellan Circle, made up of agents leading in volume, average size policy, and persistency, and distributed \$19,275 in cash bonuses.

Mr. Miles also presented the three officers of the Leaders Club: W. E. Stanley, Wilmington, N. C., general agent, president by reason of being top life producer in the club period with \$2,096,283; P. M. Ray of the home office life agency, vice-president for leading in persistency; and E. O. Martin, manager of the home office life agency, secretary-treasurer on account of being leader in applications. He is also a million-dollar producer.

Next day there was an address by President Maclellan on the company's progress and the plans for its continued growth. Mr. Miles, Henry C. Unruh, actuary, and Dr. William R. Bishop, medical director, discussed the new rate and occupational changes.

Other speakers were W. W. Vogt, pension department manager, who discussed sales opportunities under the new federal tax law, and W. E. Jones, agency manager, who talked on a new merchandising plan.

The final day featured a sales clinic run by Mr. Stanley. Francis Sommerhalder, Menasha, Wis., A. A. Mahan, Jr., Boston, E. Dudley Colhoun, Roanoke, and Al Cahill, Jacksonville, Fla., talked on "Ideas that Sell Business for Me."

John Hancock Promotes Adams at Waterbury

Harold D. Adams, assistant manager of Waterbury district office of John Hancock, has been named regional supervisor of the company's southern New England territory, effective Sept. 15. He joined the company as an agent at Waterbury in 1943 and became assistant district manager in 1950.

List Speakers for Indiana A & H Assn. Rally, Oct. 6

Indiana A&H Assn. will stage a sales congress at Fort Wayne, Oct. 6. Speakers and their topics are:

J. T. O'Neal, Great-West manager at Indianapolis, president of the Indianapolis Life Underwriters Assn. and vice-president of the Indianapolis A & H Assn., techniques for selling A & H; J. E. Whittington, general agent, Monarch Life, Indianapolis, chairman of the executive committee of the Indianapolis association, selling

business A & H; Robert Garrett, assistant general agent, General American Life, Lafayette, using the Social Security act to sell; Newell Munson, general counsel, Indianapolis Life, effect of the new tax law on sales; Spafford Orwig, Orwig agency, Indianapolis, association membership.

A new local is being formed at Fort Wayne, under the direction of John W. Morris, Hoosier Casualty, and it is expected to be in operation by the time of the congress.

Osgood Heads Brokerage Unit

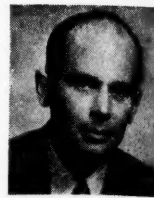
Milton L. Osgood has been named brokerage manager of the Earls agency of Mutual Benefit Life at Cincinnati. Mr. Osgood for nine years was with the Union Central Life home office and for 14 years served as agency supervisor, assistant manager and district manager. He joined the Earls agency last January as manager of its planning department. He is an army veteran of World War II and also served in Korea.

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"I believe that anyone who intends to make life underwriting his career should aspire to the highest educational standard in the business. This means becoming a C.L.U."

The knowledge attained in preparing for the designation and the prestige of being a Chartered Life Underwriter has placed me in a position of authority with my clients."

William H. Mauk, C.L.U.
Aetna Life Insurance Company
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608 Second

Pacific Mutual Leaders Hold Mich. Meeting

Field leaders for the year ending July 31 met at Mackinac Island, Mich., for the annual conference of Pacific Mutual Life's Big Tree Club Top Star Corps.

In addition to exchange of sales ideas among producers, there were talks by Asa V. Call, president; F. S. Sibley, agency vice-president, and Ralph J. Walker, group vice-president.

Abram L. Geller of the Moore agency at Houston as the national production champion was installed as club president for the second successive year and the fourth time in his career. Club vice-presidents are C. Porter Hochstadter and R. Earl Denman, both of the Gantz agency at Cincinnati; William R. Balkin of the Rappaport agency, Chicago, and Ransom E. Strickland of the Burnett agency, Norfolk.

Mr. Strickland was acclaimed "Man of the Year" for topping the field in volume of applications.

Ups Hospital Benefits

Atlantic Life has increased its limits on family and individual hospital expense policies from \$10 daily to \$15. Maximum benefits under policies covering extra hospital charges, maternity benefits and emergency out-patient service have been increased correspondingly. Increased hospital costs, especially in the larger cities, have brought about a need for higher daily amounts.

Equitable Promotes 8

Equitable Society's group department has promoted Fiske Field to divisional group manager in Milwaukee and the following to assistant divisional group managers: William M. Burns, Cleveland; Robert J. Cusick, Springfield, Mass.; Frank P. Gibney, Jr., Albuquerque; Hugo F. Littig, San Francisco; Eugene C. Piazza, Pittsburgh; and Frank J. Raimo, Jr., Charleston, W. Va.

Joseph J. Mallahan, an assistant divisional group manager, has been transferred from Springfield to Boston.

Life Span Reaches 68.9

Longevity of America's wage-earners and their families has reached the all-time high of 68.9, according to mortality prevailing in 1953 among industrial policyholders of Metropolitan.

The life expectation among these insured has been rising for more than

two generations. In 1879-1889 the average lifetime was 34 years, by 1909 it was 46.3 years.

The achievements in life conservation are underscored by the low death rates now prevailing among children and young adults. The death rate among industrial policyholders as a whole is less than one per 1,000 at ages 3 to 19, and remains under three per 1,000 until age 40 and under 10 per 1,000 until age 53.

The long-term increase in the average length of life is due, in large measure, to control of infectious diseases.

Named Assistant G. A. at Seattle

John A. Miller, agency assistant at the home office of Aetna Life since 1952, has been appointed assistant general agent at Seattle. He joined the company in 1949 at Toledo as estate control plan representative and later was advanced to supervisor there. He has been serving at the home office as an instructor in life insurance schools.

Southern Life Promotes Lingle

Southern Life of Georgia has appointed Payton I. Lingle, who has been vice-president in charge of group sales, agency vice-president. He has been with the company since 1937 and a director since the first of the year.

Continental Assurance Plans Two Regionals

The Pyramid Club of Continental Assurance will stage regional conventions at Denver Sept. 3-10 and at Washington, D. C., Sept. 16-18. Roy Tuchbreiter, president; Howard C. Reeder, executive vice-president, and Vice-presidents Raymond H. Belknap, David G. Scott and Paul Rinker will head the home office delegation.

A plan to be used in connection with section 101 (b) (1) of the new revenue code and a coverage calculated to offer more adequate hospital-surgical benefits to small employee groups and their dependents will be unveiled. Company attorneys will point out avenues for the advantageous use of life insurance in connection with the new revenue code.

Speakers and their topics are Dr. Clifton L. Reeder, medical director, "Tumor, Ticker, Fags & Likker," a mortality study; Dwight G. Johnson, vice-president of Herkness, Peyton, Bishop, Philadelphia, the 101 (b) (1) package, and Philip C. Belber, general agent at Newark, "... And They Call it Ordinary."

Add Two Speakers to LAA Cincinnati Card

Two speakers have been added to the program for the annual convention of Life Insurance Advertisers at Cincinnati Sept. 27-29. Stephen A. Douglas, director of sales promotion for the Kroeger Co., will speak the first day on "The Sign Posts of Sales Promotion and Advertising."

The second day William G. Werner, director of public and legal services for Procter & Gamble, will have as his topic, "The Sign Posts of Public Relations."

Other speakers were listed in last week's issue.

Show Council of Churches Display

Home office employees of Washington National designed and executed an outdoor display for the company building keynoting the World Council of Churches meeting at Evanston. The exhibit was highly publicized.

Seven Christian crosses are depicted in main floor windows and on a six-story glass panel over the entrance is a replica of the council's seal and the slogan, "In Christ there is no east nor west."

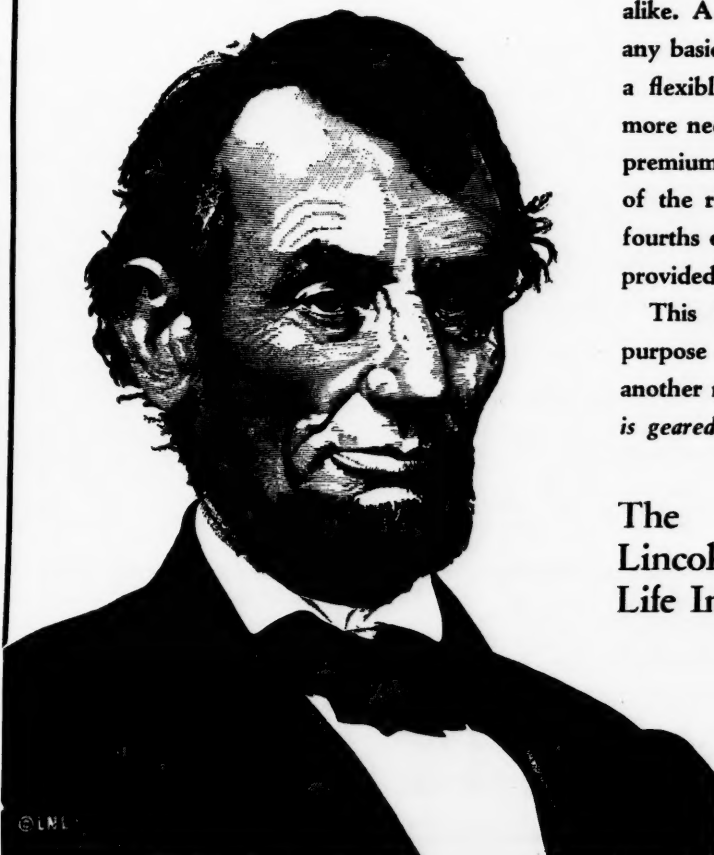
NOW— An Even Lower Cost, More Flexible Mortgage Redemption Plan

LNL's new Mortgage Redemption Plan offers many advantages to clients and agents alike. A rider that can be added to almost any basic contract, this new mortgage plan is a flexible package which can cover two or more needs. Its low cost is the result of level premiums which are payable for only 80% of the rider's protection period. And three-fourths of the plan's initial protection can be provided by the low-cost rider.

This highly flexible, low cost, multiple purpose Mortgage Redemption package is another reason for our proud claim that LNL is geared to help its field men.

The
Lincoln National
Life Insurance Company
Fort Wayne, Indiana

Its Name Indicates
Its Character



CONTINUED GROWTH!

LUTHERAN BROTHERHOOD now has better than HALF A BILLION DOLLARS worth of life insurance in force!

Much of LUTHERAN BROTHERHOOD'S remarkable growth as a fraternal Society can be traced to the type, persistent efforts of its representatives. These men are members of the "President's Club," each of whom sold more than half a million dollars worth of life insurance during 1953.



JOHN GORNOW
Minneapolis, Minnesota
1953 production, \$239,628



LAWRENCE AGER
Beatrice, Nebraska
1953 production, \$172,053

During the first seven months of 1954, the Lutheran Brotherhood Sales Force produced \$51,185,718.00 of new life insurance, issued and paid for. This is an 18.01% increase over the sales of new business for the first seven months of 1953.

Admitted Assets as of December 31, 1954 \$84,329,974.21
Life Insurance in force July 31, 1954 \$520,448,317.00

If you are interested in your sales opportunities, write for an interesting booklet, "CAREER OPPORTUNITIES."

THIS IS YOUR LIFE INSURANCE SOCIETY

Lutheran Brotherhood

LEGAL RESERVE LIFE INSURANCE

CARL F. GRANROD, President
608 Second Avenue South • Minneapolis 2, Minnesota

EDITORIAL COMMENT

Lapses Increase Despite Prosperity

So far this year the lapse ratio of practically all life companies has been persistently higher than in 1953 and since mid-year has shown a tendency to increase. It is the most pronounced with the industrial and combination companies but those writing all classes of ordinary have shown almost the same result.

The mounting lapse ratio has been puzzling to many. As one company official put it, "When we are having no difficulty in writing more new business than we did last year, I cannot understand why we are having such trouble with lapses. All of the favorable factors that are helping us produce so much new business should also, it seems to me, prevent our lapses from getting worse as they have been all year."

Lapses seem to be the major problem of the agency department of most companies but so far no one has been able to determine clearly and definitely why this is true and certainly no formula for getting the lapse ratio back to normal has been evolved.

Factory layoffs have been the principal cause of an increase in lapses among the industrial companies but most of these have not been severe or of long duration. They have revealed the fact though that most factory workers have not been saving their money, have not accumulated enough to tide them over a period of even a few weeks unemployment. Such workers were sold rather easily when they had the money but they have been quick to drop their life insurance as soon as their incomes were shut off. This may not be too unusual and it is at least an understandable explanation of why the industrial companies have been hit harder than those writing ordinary only but it is not a complete or satisfying answer. The lapse ratio of all companies is on the rise and this is true in non-industrial cities and in parts of the country where there have not been layoffs or declines in the economy. The reasons for the continuing increase in the lapse ratio lie beyond sporadic periods of unemployment or isolated local temporary business declines.

The companies which have become somewhat alarmed over this situation and have made something of a study of it have begun to conclude that during the past few years too many policies have been sold that have not been made part of a program. Lapses have been by far the highest on policies that were purchased simply because the

policyholder had the money and the agent persuaded him that he needed "some more life insurance." Lapses have been noticeably lower on policies that were bought to meet and fill definite needs.

It is becoming clearer all the time that in recent years a good deal of life insurance was bought by the same people who purchased electric refrigerators, dish washers, television sets, automobiles, etc. These were the people that were making more money than ever before in their lives and they were not hard to sell. In fact, the salesmen that got to them first were usually the ones that got their money almost irrespective of what he had to sell. It is surprising to find that so much life insurance was purchased in this way but it is obvious now that it was never taken very seriously, that it was just one purchase among many, and that such life insurance is surrendered by policyholders of this kind without any apparent regret.

This is another demonstration of how unwise it is to put too much faith in mere volume. Getting business on the books during the past few years has not been a formidable problem. It is not today. New business of most life companies in 1954 will exceed that of last year. In many instances some remarkably good sales records are being made. But the size of this volume is deceptive. The higher lapse ratio and the inability of the companies to reduce it proves that writing business and retaining it are not necessarily synonymous. Business that is written for a purpose, as part of a program to meet vital needs and to prevent outright financial disaster will stay on the books in satisfactory volume as it always has in the past. The policies that are written just because they can be sold, because the prospect can be persuaded to part with some of his money are not permanent today any more than they ever have been in the past. No stronger proof of this is needed than that the lapse ratio is increasing at this particular time when the prosperity of the country as a whole is at an extraordinarily high level and new business relatively easy to write.

A & H Training School Plans

International Assn. of A & H Underwriters will conduct four leadership training schools in the western area during September under the direction of Leonard McKinnon, McKinnon & Mooney, Flint Mich., president, and

William Coursey, managing director. The schools will use material used at a joint meeting of the western New York and Ontario associations.

Meetings will be held in Denver Sept. 16; Albuquerque, Sept. 16; Phoenix, Sept. 20, and Salt Lake City Sept. 21.

Messrs. McKinnon and Coursey will begin their western tour at the annual meeting of the Bureau of A & H Underwriters Sept. 13-15. Mr. McKinnon will also speak at the Tri City (Portland, Seattle, Vancouver) sales congress Sept. 22.

PERSONALS

Gilbert W. Embury, personnel service specialist, Northwestern Mutual Life, 84th reserve infantry division colonel and chief of staff, has been promoted to assistant division commander. Alvin C. Teske, pension trust division specialist of the company, has been named "Man of the Month" by Milwaukee junior chamber of commerce. The citation was awarded for outstanding work as chairman of the teen age Roadie committee among young auto drivers. Richard Higgins, also of pension trusts, was elected chairman of the committee for the coming year.

William R. Wagner, whose appointment as manager for New England



William R. Wagner

Mutual at Rochester was reported in last week's issue is a CLU and has been with New England Mutual since he entered the business in Philadelphia in 1947. He became a supervisor at Harrisburg in 1948 and after leading the agency in sales and also qualifying for the company's leaders' association he went to the home office as a field supervisor in 1951 and the following year became assistant superintendent of agencies.

Ake Magnusson, Stockholm, who has been assistant dean of the school of insurance of Swedish Insurance Society, is spending six months in the United States studying insurance educational and training methods on a scholarship of Sweden-America Foundation. He was in Cincinnati last week and will visit the principal insurance centers of the country before returning to Sweden late in December. He will then become assistant sales manager of Trygg Life of Stockholm, which is affiliated with Trygg Brend, a fire company, and Filgia, which writes automobile insurance.

Donald R. Pearson, agency assistant for Woodmen Accident & Life was seriously injured in the crash of a Braniff Airlines plane near Mason City, Ia., Aug. 22. Mr. Pearson, who

was one of eight survivors of 19 aboard the plane, suffered a broken leg, broken arm, fractured jaw and nose and internal injuries.

J. H. Barrier, a vice-president of Jefferson Standard Life, and Miss Annie Milton Norman of Greensboro were married in Greensboro. Mrs. Barrier was with the bureau of internal revenue in Greensboro. Mr. Barrier is in charge of Jefferson Standard's mortgage loan and real estate operations.

Donald H. Palmer, who is with the Moore, Case, Lyman & Hubbard agency at Chicago, has been named head of a new Red Cross community relations committee which will implement the information program of the Chicago chapter.

Edward J. Schmuck, general counsel of Acacia Mutual, has been named chairman of the Washington Board of Trade's insurance committee.

Indiana Commissioner Harry E. Wells was interviewed by members of the Indianapolis press Sept. 2 on WFBM-TV in a television show sponsored by the Indianapolis Junior Chamber of Commerce.

D. C. Penticuff has resigned as manager at San Antonio for California-Western States Life and will enter the Episcopal Theological Seminary of the Southwest, Austin.

Albany A&H Group Forms

Temporary officers have been elected by the newly organized Albany, N. Y., A&H Assn. They are Sidney L. Eisenberg of Troy, president; Louis Kaplan of Albany, general agent of Security Mutual Life, secretary, and Miss Margaret A. Smith of Schenectady, Thomas J. Kelly of Troy, and Robert H. Dwyer, Albany agent of U. S. Life, executive committee. Oakley Baskin of Buffalo, director of International Assn. of A&H Underwriters, spoke at the meeting.

Elect Wulz at Toledo

Toledo (O.) Life Managers Assn. elected Donald L. Wulz, New York Life, president. Gilbert Templeton, Metropolitan, is vice-president, and O. M. Heine, Lincoln National Life, secretary.

Accidental Falls Kill 21,000

Accidental falls take about 21,000 lives a year in the United States, according to Metropolitan Life, ranking second only to automobiles as a cause of accidental deaths. About two-thirds of all fatal falls occur in and about the home.

Boss Explains New Tax Law

San Antonio Life Managers Club heard a discussion of the effect of the new income tax law on life insurance annuities by Harper Bass, Massachusetts Mutual.

Chicago Home Office Life Underwriters Assn. held its annual golf outing at St. Andrew's Country Club in West Chicago, Aug. 6. Following golf there was a dinner at which prizes will be awarded.

26 NATIONAL UNDERWRITER

Life Insurance Edition
EDITORIAL OFFICE:
99 John St., New York 38, N. Y.
Editor: Robert B. Mitchell.
Assistant Editor: Warren Kayes.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Walnut 9801. O. Robert Jones, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421. Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Manager.

CHICAGO EDITORIAL OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Associate Editors: John C. Burridge, Charles C. Clarke and William H. Faltyssek.
Assistant Editor: Edmund J. Brophy

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor; Roy Rosenquist, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

DETROIT 26, MICH.—607 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Resident Manager.

ADVERTISING OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Advertising Manager: Raymond J. O'Brien.
SUBSCRIPTION OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gosling, Resident Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

HOWARD J. BURRIDGE, President.
LOUIS H. MARTIN, Vice-President.
JOSEPH H. HEAD, Secretary.
JOHN Z. HERSCHDE, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Clarence W. Hammel, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3708. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2444. Bernard J. Gold, Resident Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 144 Market St., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

DEATHS

WILLIAM A. BARGAR, 81, at one time New York Life agency director in Columbus, O., died at Ft. Lauderdale, Fla.

H. E. KIRKPATRICK, 64, an investigator in the mutual assessment section of the Texas department's life division, died at his home in Trenton after a four-month illness. He had been with the department since 1947.

J. E. B. SWEENEY, 78, general agent of Equitable Society at Charleston, W. Va., died after a brief illness. He began his career with the company 38 years ago when he joined his brother, Thomas B. Sweeney, Sr., in the Wheeling agency founded in 1887 by their father. Later he became general agent at Charleston and directed the Equitable sales organization there until Feb. 15, when he retired. He continued to represent the company as a member of the society's million dollar club 12 times and in one year his personal production exceeded \$3 million.

N. J. Disability Score

According to the New Jersey division of employment security, during the period April 1-July 1 the number of privately insured statutory disability plans decreased from 14,750 to 14,495. In the same period the coverage under union agreement increased from 1,843 to 1,949.

Indianapolis A&H Meet Sept. 13

A reception, dinner, and a panel discussion will be featured at a meeting of Indianapolis A & H Assn. Sept. 13.

C.L.U.

spells
sales
success



as demonstrated by one of
Aetna Life's leading leaders,

V. John Krebbiel, C.L.U.,
Los Angeles

"Earning my C.L.U. designation was both a challenge and a great satisfaction. It has given me confidence in my approach to all life insurance prospects and, although I do not stress the title, I find my clients do appreciate the fact that I have acquired it. The designation also gives me an opportunity to meet with other top-flight life insurance men in the country, helping me to keep abreast of present day trends and sales methods. I would urge all career life underwriters to attain the C.L.U. designation."

V. John Krebbiel, C.L.U.
Aetna Life Insurance Company
Los Angeles



Hartford
Conn.

A & H Bureau Annual Has Stellar Card for Colorado Meet

Highlighted by the pending ratification of its public relations program and code of practices, the annual meeting of Bureau of A&H Underwriters promises to focus industry-wide attention on the three-day discussion of A&H at the Broadmoor hotel, Colorado Springs, Col., Sept. 13-14.

The opening session, with Laurence B. Soper, assistant vice-president of New York Life, chairman of the governing committee, presiding, features an address by Commissioner Kavanaugh of Colorado, "What About Your Public Relations?" Following an address by Mr. Soper, Edmund M. McConney, president Bankers Life of Iowa, will talk on "The Insurance Industry in Competition for the Consumer Dollar." A talk, "Private, Voluntary Health Insurance—What's In a Name?", by J. Henry Smith, vice-president and associate actuary, Equitable Society, concludes the session.

The second session that day presided over by Alfred W. Perkins, vice-president Union Mutual Life, will hear Theodore P. Beasley, president Republic National Life, on "There Is a Concernment"; "Trends in A & H", by Armand Sommer, vice-president Continental Casualty and United States Life, and "Expense Problems of A&H by Clarence H. Tooke, actuarial vice-president Occidental Life of California.

Beginning the second day, with Robert K. Metcalf, vice-president Connecticut General Life, presiding, Raymond L. Ellis, vice-president Fireman's Fund Indemnity, will speak on "A&H Responsibilities and Opportunities"; E. J. Faulkner, president Woodmen Accident & Life, "Unity—Today's Challenge to A & H", and Robert R. Neal, resident counsel, Washington office of the bureau and of A & H Underwriters Conference, reports on federal government activity in the area of voluntary health insurance. Emphasizing a major theme of the meeting, A. H. Thieman, 2nd vice-president New York Life, ends the session with a discussion on "Our Public Relations."

The third day is reserved for bureau business, which includes ratification of the public relations program and code of practices; consideration of bureau constitution amendments, and election of the governing committee and the 1955 chairman.

● **Herbert S. Wolf**, formerly an actuary with Harley N. Bruce & Associates, consulting actuaries, has gone with Pilgrim National Life. In addition to his actuarial duties he will be active in the agency department. After receiving his M.S. in mathematics at University of Illinois, he was with the university for two years as a statistician and one year teaching mathematics. He is an associate of Society of Actuaries.

New Boston Insurance Directory Available

The National Underwriter Co. has just published the 1954 edition of the Boston Insurance Telephone Directory, in which are listed the names, addresses and telephone numbers of persons and companies active in Boston insurance. Copies may be ordered from the National Underwriter Co., 420 East 4th street, Cincinnati 2. The price is \$1.



PAN-AMERICAN'S CAREER CONTRACT

which stresses the company's philosophy of helping the best men make more money. To do this job, we furnish ample training, top-notch sales aids and individualized policies to meet individual needs.

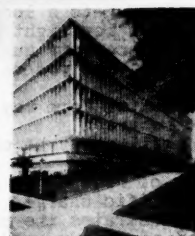
CRAWFORD H. ELLIS
President

EDWARD G. SIMMONS
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KENNETH D. HAMER
Vice-President & Agency Director

For Information Address
CHARLES J. MESMAN
Superintendent of Agencies

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NEW ORLEANS, U. S. A.

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Vincent W. E.

Robert P. Hale Joins Republic National Life

Robert P. Hale has joined Republic National Life as manager of the brokerage division. Mr. Hale has been with Continental Assurance at Dallas as southwest-ern division assistant superintendent of agencies since 1951. He joined that company in 1948 at Gary, Ind., having been with Western & Southern Life 1940-1948 except for air corps service.



Robert P. Hale

Ralph C. Reinecke, assistant vice-president and associate director of agencies for Republic National who formerly headed brokerage operations, will now devote his full time to his agencies work.

Uninsurables Are Local Problem, AMA Chief Says

Responsibility for financing the cost of illness for low-income and uninsurable persons is a local and state concern, according to an article in the current American Medical Assn. Journal by its president, Dr. Walter B. Martin, Norfolk, Va.

Dr. Martin believes health care costs for the non-insurable must be met by local and state aid and philanthropic funds. He suggested the amount of aid needed could be reduced by further expansion of voluntary insurance and additional chronically ill and convalescent hospitals to provide for these persons at lower per diem cost.

Since there can be "no acceptable or realistic standard for federal aid," he said the problem must be met at this level where a person's economic status can be assessed in relation to medical requirements at a particular time.

According to the doctor, federal government participation would be "difficult to carry out without a degree of federal supervision and control that would be highly objectionable. If a 'national yardstick' were set up, he said pressure would be exerted until each year more persons would claim government assistance.

Dr. Martin called for a "joining of forces" between state medical societies and hospitals in promoting sound voluntary insurance plans in providing "the means of financing the care of the uninsurable ... at the state and local level."

U. S. Rubber Chairman Trustee of Mutual of N. Y.

H. E. Humphreys, Jr., chairman and president of U. S. Rubber Co., has been named a trustee of Mutual of New York. He is also a director of Rubber Manufacturers Assn., Chemical Bank & Trust Co., Dominion Rubber Co., and Terminal Warehouses. He is a trustee of the tax foundation, a member of National Industrial Conference Board, a vice-president and director of National Assn. of Manufacturers and a trustee of the University of Pennsylvania.

To Take Part in AMA Meet

Herman Knauss, planning director of Mutual Life of New York, will be chairman of the opening session at New York City, Oct. 20-22, of the annual office management conference of American Management Assn. The theme of the meeting will be methods and machines to increase clerical productivity.

Other life insurance men who will participate are H. Bruce Palmer, president Mutual Benefit Life; John H. Beatty, assistant vice-president Metropolitan; A. C. Vanselow, assistant

vice-president Franklin Life; Malcolm F. Hood, assistant secretary Connecticut General, and E. F. Cooley, associate director of methods research Prudential.

Northwestern Mutual Names Four; Creates New Post

George C. Koester has been named to the new position of director of methods and procedures of Northwestern Mutual Life, and John S. Stobelaar has been advanced to assistant director of agencies. J. Gerald McLaughlin to assistant treasurer, and Donald K. Mundt, assistant counsel.

Mr. Koester, with the company since 1926, was made a field auditor in 1944 and since 1947 has worked in the planning division of the comptrollers department. A World War II army veteran, Mr. Stobelaar has been an agent at Marquette, Mich., since 1945. Mr. McLaughlin joined Northwestern Mutual in 1920 and worked in the premium collection, premium loan and book-keeping division and as a field examiner before appointment as administrative assistant to the treasurer in 1951. Mr. Mundt joined the company in 1952 in the law department. Before naval service he had been with Fidelity & Deposit.

New Office for Ross Journey

Ross Journey & Associates, Salt Lake City advertising agency which handles insurance accounts, has moved into larger modernized offices at 178 Social Hall avenue. The new quarters were designed specifically for advertising agency occupancy.

Franklin Tops \$30 Million in July

Franklin Life July sales exceeded \$30 million, excluding annuities. Paid business for the first seven months is more than \$230 million, a \$15 million gain over the same 1953 period.

C.L.U.
spells
sales
success



as demonstrated by one of
Aetna Life's leading leaders,

William G. Adams, C.L.U.,
Toledo

"After nearly 20 years spent in selling life insurance, I am convinced that the element of prestige is more important than any other quality to the career life underwriter. I believe that the insuring public and the business and financial community, recognizing the value of the designation and the comprehensive knowledge of life insurance and allied subjects gained in acquiring it, look upon the C.L.U. as an authority in his field."

William G. Adams, C.L.U.
Aetna Life Insurance Company
Toledo



Hartford, Conn.

THE OHIO NATIONAL LIFE INSURANCE COMPANY
CINCINNATI

J. W. FINGERHUTH, GENERAL AGENT
418 RICHARDSON BUILDING
TOLEDO 4, OHIO

Dear Al:

In answer to your question as to what I like best about The Ohio National, the one thing that comes immediately to mind is the sincere consideration and help given to the problems of the field force by every one in the home office. This willingness to be helpful has been extended to me by every officer of the Company at all times.

I know there are companies which give lip service to the same practice, but with The Ohio National it is a fact and not a theory, as I have observed repeatedly to my personal satisfaction during the ten years I have been associated with the Company.

Sincerely yours,

Jim



Bill Nalac's CORNER

"Good advice to any man:

'Count your blessings--then add one you probably hadn't thought of--the privilege and the capacity to buy life insurance!'

"Here at North American we find that a good way to create interest in our new PRESIDENT'S SELECT PLAN of life insurance--a plan where 'capacity to buy' calls for above-average health along with favorable social and family background.

"When MR. PROSPECT gets a look at the attractive premium, he realizes how right you are--how lucky he is to possess the necessary qualifications. He will be doubly convinced when you call his attention to three other things:

1) That Supplemental Term may be added up to 3 times amount of basic contract.

2) That Term portion may be converted without evidence of insurability.

3) That Waiver of Premium is automatically included without extra specific charge.

"Again, it demonstrates the practical quality of Nalac's merchandise--and how well it provides the answer to every selling situation--Life, Accident and Sickness, or Group."

HOME OFFICE:

MINNEAPOLIS, MINNESOTA

H. P. SKOGLUND
President

J. E. SCHOLEFIELD, C.L.U.
Vice President-Director
of Agencies



LIFE • ACCIDENT • SICKNESS • HOSPITAL • GROUP

Davenport Assn. Plans Sales Congress Sept. 16

Davenport (Ia.) Assn. of Life Underwriters will hold its annual sales congress Sept. 16. More than 200 are expected to attend.

Speakers will include James E. Ruthenford, vice-president of the Chicago office of Prudential; Robert E. Shay, director of agencies of Bankers Life of Iowa; Harry M. Livingston, Mutual of New York agent at Marshalltown and president of Iowa association; Edwin R. Brock, Des Moines agent of Penn Mutual Life; and Cleo Edwards, Central Life of Iowa agent at Cedar Rapids.

"Stardust", a play on life insurance will also be on the program, performed by the community little theatre group.

General chairman of the congress is Ellsworth O. James, Davenport manager of Occidental Life. Jerome C. Arnold, Lincoln National Life, is president of the Davenport association.

Edmondson to Head Manhattan Life Planning

Vincent W. Edmondson, vice-president of Manhattan Life, has been appointed to direct planning and research and will be entirely separated from operational matters. He will be in complete charge of agency planning, analysis and research. He has been with the company 26 years.



Vincent W. Edmondson

Mutual of N. Y. Transfers Five to H. O. Training

Five assistant agency managers have been promoted to training assistants at the home office of Mutual of New York. They are Robert J. Gullyes of Pittsburgh, Delma R. Johnson of Richmond, Donald J. Mertz of Milwaukee, Donald T. Osgood of Miami, and Forrest E. Wood of San Antonio.

Mr. Gullyes joined the company in 1947 as a field representative and became assistant manager at Pittsburgh in 1949. Mr. Johnson became a field representative at Richmond in 1949 and assistant manager there in 1952. Mr. Mertz joined the company at Milwaukee in 1947 and has been assistant manager there since 1950. Mr. Osgood joined the company as a field underwriter at Atlanta in 1948 and later transferred to Miami where he has been assistant manager since 1952. Mr. Wood joined the company in 1951 at San Antonio and has been assistant manager there since 1952.

Plan Ohio State Drive

General agents and managers of Ohio State Life from a score of cities met at Granville, O., recently to plan for the first President's campaign being put on by the field force in honor of its new president, Frederick E. Jones. The campaign which opened Sept. 1 continues through Oct. 30.

The over-all leader will be awarded the President's Trophy, which becomes the permanent possession of any agency winning it three times in succession. The campaign is under the general direction of the executive committee of the general agents' association, of which Robert F. Horn, Mansfield, is chairman. Among the speakers at the Granville meeting was Howard W. Kraft, superintendent of agencies.

Kroeg Rejoins Liberty Life

A. Alec Kroeg has joined the home office staff of Liberty Life, as assistant secretary in charge of internal office administration in the group department.

Mr. Kroeg, who has been with Jefferson National Life for several years at Indianapolis, had been in the Liberty Life underwriting department. He is a past president of Indiana Home Office Underwriters Assn.

Timmerman in New Post

H. J. Timmerman, former chief deputy commissioner of Utah and with the department there for about 10 years, has joined Mutual Savings of Salt Lake City as assistant secretary.

The company moved recently into a new home office at 449 East 21st street.

K. C. Life Plans Camp Rally

The annual camp training, conference of the Kansas City Life Texas agency will be staged at Hunt, Tex., Sept. 5-8.

Representing the home office will be President W. E. Bixby, Vice-presidents J. A. Budinger and Dallas Alderman; Vice-president and Superintendent of Agencies C. W. Arnold; Agency Secretary Jack McInnes, Jr., and J. T. Langston, assistant general counsel.

J. S. Keller, assistant state manager in charge of the event, will be aided by Ben Epstein, Houston, who will conduct a session on the new tax law, and A. R. Dalchau, who will direct a round table meeting. A talk by O. Sam Cummings, Texas general agent, will close the conference.

Baltimore Branch in New Home

The Baltimore branch of Connecticut General Life is the first principal tenant to move into the new modern five-story building at 210 North Calvert street. The new building has been erected next to an older four-story structure so that the top floor of each provides an open and level working area. Connecticut General will occupy

the fifth floor of the new building and the fourth floor of the older structure. The interior of the older building has been renovated to harmonize with the new structure. All of Connecticut General's Baltimore operations are now consolidated under one roof.

Edwin Erickson in New Post

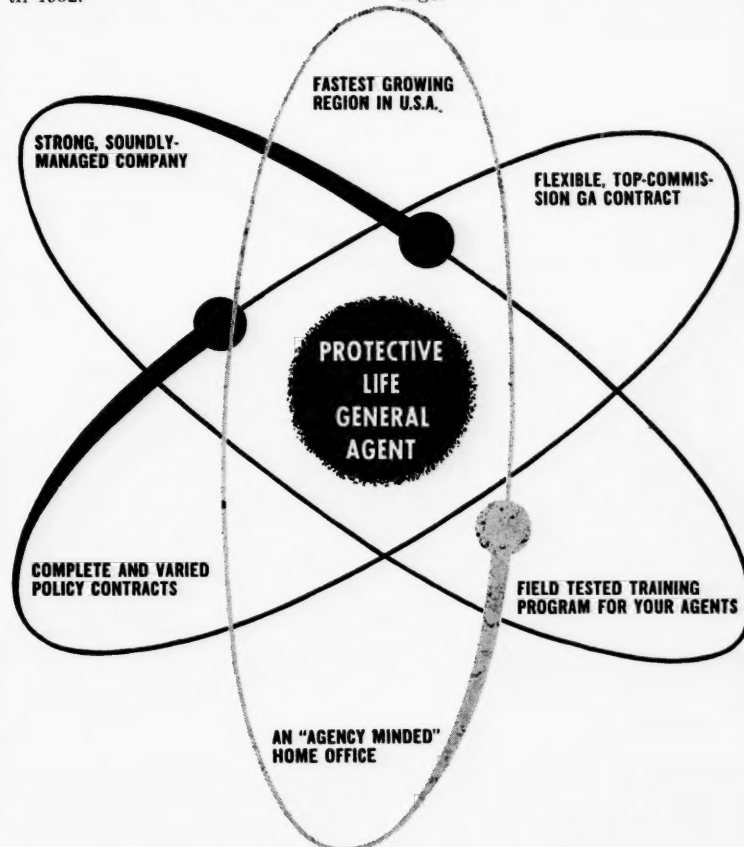
Edwin M. Erickson, western Pennsylvania regional manager for Ohio Farm Bureau Life, has been promoted to group operations manager. He joined the company in 1942 as the first licensed agent in Connecticut. He was Syracuse sales manager from 1943 until 1952.

Lincoln National Names Gamble to Agency Post

Clifford L. Gamble has been named Lincoln National Life assistant superintendent of agencies. Mr. Gamble, who returns to the company after an absence of two years, joined Lincoln National in 1937 at the home office.

He entered the air force in 1942, putting in 3½ years of military service, and returned to the company in 1945.

• Chicago Home Office Underwriters Assn. Sept. 9 will hear a talk by Superior Court Judge Gorman of Chicago.



The Right Combination for A *Dynamic* Career

Every necessary condition for career success is yours with a Protective Life General Agency. You enjoy greater rewards for the same amount of effort—increased earnings, greater personal security, and the satisfaction of knowing that you are furnishing your clients the finest insurance protection.

If you are a successful personal producer and possess the necessary qualifications, you'll find that this is your kind of career. Get the facts now.

GENERAL AGENCY OPENINGS THROUGHOUT THE SOUTHEAST

Write to C. B. Barksdale, Agency Vice-President

PROTECTIVE LIFE

William J. Rushon
President

Serving the South
Since 1907



Insurance Company

PROTECTIVE LIFE BUILDING
BIRMINGHAM, ALABAMA


Build Your Agency with All-Americans

CAREER MEN WILL BE ATTRACTED TO...

The All-American Contract

FEATURING

- ★ Liberal Commissions
- ★ Life-Time Renewals
- ★ Production Bonus
- ★ Persistency Bonus
- ★ Retirement Renewals
- ★ Group Insurance



Write

H. S. McCONACHIE
VICE PRESIDENT

AMERICAN MUTUAL LIFE INSURANCE COMPANY

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A General Agency Company

*Minnesota *North Dakota *South Dakota *Montana
*Wyoming *Idaho *Washington *Oregon *California

CALIFORNIA AND WYOMING ARE NOW "PROVIDENT STATES"

Yes, we have hitched our wagon to two more successful stars—California and Wyoming. It was with great pride that we added these two vigorous states to our ever expanding territory. We liked the character of their people—hard-working and industrious. We know they will like the Provident Life!

Success begets expansion. Our company, our agents and our territory are a winning combination.

There are opportunities for qualified men, who want success with the Provident, in our new territories, as well as the other "Provident States".



The Provident Life Insurance Company
Bismarck, North Dakota
Joseph Dickman, Vice President

Life-Accident-Health-Hospitalization-Annuities-Pension Trust

"The Provident States"

WHEN YOU SELL

Mutual Trust

you can be certain that
your prospects gain
the marked advantage of . . .

Mutual Trust has been soundly and economically managed for the benefit of its policyholders on a purely mutual basis during its nearly 50 years of service with a strong general agency force operating in a stable territory.

- LOW NET COSTS
- FLEXIBLE SETTLEMENT OPTIONS
- NET LEVEL PREMIUM RESERVES
- A STRONG SURPLUS

PROFITABLE FIELD OPPORTUNITIES AVAILABLE
Write to the Agency Secretary

Cal., Conn., Ia., Ill., Ind.,
Mass., Me., Mich., Minn.,
N. H., N. J., N. Y., N. D.,
Ohio, Pa., R. I., Vt., Wash.,
Wis.

Mutual Trust
LIFE INSURANCE CO.
135 South LaSalle St., Chicago

Gives Hints for Business Insurance

(CONTINUED FROM PAGE 6)
business insurance and estate planning. That is why, he said, the term "business estate planning" is used. Usually he sells key man insurance first, then coordinates it with his estate.

Mr. Mintz was asked: You have one man owning all the corporate stock. If the corporation insures him to have the funds for 115 (g) (3), won't that add to his taxable estate?

He replied: Probably; unless you could convince the bureau that your stockholder is a key man, that the insurance merely replaces his value, which otherwise would go down because of his loss. If death occurs within the first 20 years (depending on his age) the windfall to the corporation and the stockholder will more than take care of increased taxes in addition to providing liquidity. You can also reason that there is a balancing because to the extent that the premiums decrease the value of the corporation stock, the 100% corporate stockholder's estate taxes decrease.

Another question was: Do you ever sell 20 payment life for business insurance?

He replied: Where the insurance is for stock retirement, if we can get the corporation to cover the full value of the stock with whole life, we're usually very happy. Of course, if you have a deferred compensation plan or stockholders who want to build up retirement values, limited payment contracts may be recommended.

In stock retirement or stock purchase or combination plan, he said he watches "control". If three brothers own among them 51% of the stock, they will take a dim view of a stock retirement plan that will make the survivors own less than control. For these three, stock purchase, with cross owned insurance is the solution. The plan is tailor-made to fit the situation.

Fla. Rules vs Credit Cover for A&H. No Job

The Florida attorney general has given an opinion to Commissioner Larson that credit life cover on purchasers of merchandise on conditional sales contracts is permissible, but that it is not proper as protection in case of accident or sickness, or in the event of involuntary unemployment.

Name Veal Prudential PR Man at Jacksonville

C. Speed Veal, radio broadcaster and executive, has been chosen public information manager of Prudential's south-central home office at Jacksonville. He will be associated with William S. Weier, director of public relations and advertising in the 10-state area.

Plan City Employees Cover

PORT HURON, MICH.—The city commission has agreed to provide a group life program for city employees at a premium of some \$10,000 yearly. The agreement was made in connection with rejection by the commission of a request by the city employees' union for a 10 cents per hour salary raise.

Takes Welfare Fund Stand

U. S. Chamber of Commerce is urging employers to play a stronger role in administering employee welfare funds to prevent abuses brought out in recent investigations. Because of certain weaknesses in the Taft-Hartley act, unions have sometimes assumed the

major role in governing these funds, although employers are the chief contributors, the chamber points out. It is recommending that both employers and labor leaders cooperate in seeking legislation to set up strict standards for administration of welfare funds.

'GAMC News' Makes Bow

The first issue of "GAMC News," official publication of the General Agents & Managers Conference of National Assn. of Life Underwriters, was distributed to GAMC members this week. It is a four-page publication in newspaper format, the layout being designed by Robert Osler, life editor of the Rough Notes Co.

Occidental, N. C., to Build

Occidental Life of Raleigh, N. C. will in September begin construction of a \$1½ million four-story home office building on a ½-acre tract in the Cameron Village section.

C.L.U.
spells
sales
success



as demonstrated by one of
Aetna Life's leading leaders,

Henry A. Kirsch, C.L.U.,
Shreveport

"C.L.U. training has been the difference to me between being just another life insurance agent and being a member of the Aetna Life Leaders Club."

Henry A. Kirsch, C.L.U.
Aetna Life Insurance Company
Shreveport



Hartford, Conn.

Enroll now for the
LEADER'S SEMINAR
conducted by the Life Insurance Marketing Institute of
PURDUE UNIVERSITY
Sept. 27 - Oct. 1

Many interesting subjects will be discussed, including the new tax laws. This course is open to all LEADERS of the business who have a minimum of \$250,000 of annual paid production. Membership in the LEADERS club of your state qualifies you.

Time Is Short—Write Today to:
**LIFE INSURANCE
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Cost of course—\$27.00 plus lodging.

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FRATERNALS

More NFC Units Ready Plans for Atlantic City Meet

The presidents, medical and press sections of National Fraternal Congress have completed the scheduling of events for their sessions to be held Sept. 28 during the NFC annual meeting at Atlantic City. Also meeting that day is Fraternal Actuarial Assn. In reporting its program plans last week an incorrect meeting date was given.

Fraternal Field Managers Assn. will hold its gathering Sept. 27. Frank Reissner, Lutheran Brotherhood, Allentown, Pa., and Miss Gloria Gaskin, New Jersey Bell Telephone Co., will talk on "Use of the Telephone in Selling." John N. Cochran, Woodmen of the World, Omaha, will have as his topic "The Value of FIC in Sales Training."

The presidents' section will hear addresses by Judge Robert W. Hansen of district court in Milwaukee, who is a past-president of Fraternal Order of Eagles, and Louis E. Probst, Independent Order of Foresters. A panel discussion will follow.

Speakers and their topics for the medical section gathering are Dr. Archibald C. Wilson, reinsurance medical director Connecticut General Life, "Non-Vascular Degenerative Conditions of Underwriting Interest"; Dr. William D. Stroud, a professor at the University of Pennsylvania, "Coronary Artery Disease and Life Insurance," and Dr. L. S. Ylvisaker, vice-president and medical director of Fidelity Mutual Life, "Current Cardiovascular Underwriting Problems."

The press section will hold its traditional breakfast meeting, for which the principal speaker will be announced later. A panel discussion is to be led by Stephen Valcik, Slovonic Benevolent Order of Texas.

Fraternal Youth Counselors Assn. will stage a breakfast meeting Sept. 29 at which the speaker will be Mrs. J. Warren Hastings of Washington, D. C., who has been prominent in youth work.

H. F. Scheig, E. W. Seevers Get A.A.L. Appointments

Henry F. Scheig, formerly assistant secretary of Lincoln National Life, has been appointed assistant actuary of Aid Association for Lutherans. The fraternal also has named Erwin W. Seevers of Phoenix, Ariz., to the new post of special field counselor.

A fellow of Society of Actuaries, Mr. Scheig graduated from Iowa State University. He joined Lincoln National in 1949 and was advanced to assistant secretary in 1952. John Gall, assistant actuary since 1951, will continue in that capacity.

Mr. Seevers has been with Aid Association since 1952, and for the first eight months of this year has produced about \$900,000. He has completed the advanced course at the Purdue University marketing institute. He now will devote full time to teaching sales presentations to individual representatives.

Maccabees Names Hoexter

D. Donald Hoexter has been added to the home office field department staff of Maccabees. He will work under the supervision of Field Director Robert O. Shepler. He is a graduate of the University of Michigan business school.

Magazine Survey Gives Reader View on Life Insurance

The views on insurance of 1,815 members of the *American Home Magazine* reader-consumer panel are given in a report summarizing the results of a questionnaire sent them. The report substantiates many current sales theories and also gives an indication the agent in some instances is not fully exploiting his opportunities. Of those completing the questionnaires, which covered all types of insurance, 96% owned life policies and 58% considered this type of insurance most necessary of all owned. Substantiating a popular contention that the present amount of insurance in force, a total approximately equal to one year of national income, is inadequate, the panel suggested the following as the minimum amounts: One year's income or less, 11%; 2-3 years' income, 39%; 4-5 years' income, 20%; more than 5 years' income, 16%. Many said they did not know what would be the proper amount, while 40% said they hoped to add to their program.

Life insurance as a means of saving as well as for income protection interested 66% of those who answered. The median average of income currently going into life insurance was about 6%. Some 55% of the readers said they are familiar with mortgage cancellation insurance, though only 7% of these already have such a policy. About 40% of those familiar with the coverage said they would be interested in having such a policy.

The principal bases for selecting an insurance agent were: Personal friendship, 38%; agent found me, 27%; recommendation of family, 20%; recommendation of friends, 13%. Regular visits by the agent were reported by 23%, frequent visits by 34%, while 36% saw their agent only in an emergency. When buying more life insurance, 82% said they would want to deal with the agent who served them previously. Nearly half of those who answered said they had not had an analysis of their life insurance program in the last five years.

The name of the company or companies in which policies are held was known by 96%, while 64% said they were familiar with all details of the family's over-all insurance plan. Responsibility for making premium payments belong to the wife in 51% of the cases.

Rutgers DISC at Newark Slated to Begin Oct. 5

Rutgers University in cooperation with the New Jersey A & H Assn. and the International Assn. of A & H Underwriters will offer a course in disability insurance sales beginning Oct. 5 on the downtown Newark campus.

George Lehman, manager, National A. & H., is coordinator and lecturer for the DISC classes which will meet for 12 Tuesday evenings, presenting methods used by successful A & H salesmen and the principles underlying successful sales.

Berg Heads New Agency

Ivan C. Berg, former superintendent of agencies for Rushmore Mutual Life, has been named to head Occidental Life of California's first general agency in La Crosse, Wis.

Mr. Berg entered insurance in 1946 at Sidney, Mont., as an agent for New York Life. He went with Rushmore Mutual in 1952.

TOP...

- Commissions
- Incentive Plans
- Sales Aids
- Training Program
- Field Supervision

combined with some exceptionally marketable "exclusive" policies (both adult and juvenile) may help explain why 58-year-old FIDELITY LIFE is enjoying substantial gains over last year in the fields of

- Sales
- Manpower
- Gains in Force

For information on sales opportunities write: Attention Sales Department. No obligation.

Fidelity Life
ASSOCIATION

A Mutual Legal Reserve Company
Home Office: FULTON, ILLINOIS

THE COUNTRY'S MOST FRIENDLY COMPANY OFFERS...

- Modern and attractive agent's and general agent's contracts to those looking for a permanent connection.
- Complete line of Life Insurance policy contracts from birth to age 65 with full death benefit from age 0 on juvenile policy contracts.
- Complete line of Accident and Health policy contracts with lifetime benefits.
- Individual Family Hospitalization contracts with surgical, medical and nurse benefits.
- Complete substandard facilities.
- Educational program for fieldman.

Strong, Progressive Company
Older than 85% of all legal reserve life insurance companies

COMPANY'S EXPANSION PROGRAM OFFERS
Openings in California, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Dakota, Ohio and Wisconsin

NORTH AMERICAN LIFE INSURANCE COMPANY OF CHICAGO

C. G. ASHBROOK, EXECUTIVE VICE PRESIDENT
NORTH AMERICAN BUILDING, CHICAGO 3, ILLINOIS

Conn. Mutual Leaders Get Selling Tips at W. Va. Rally

(CONTINUED FROM PAGE 3)
derwriter."

Stating that the basic question to be resolved before a business man's estate can be properly planned is whether or not the business interest should be sold at the time of his death or retained for the benefit of his family, Mr. McKenney said: "This decision is the point of departure, and it forms the basis of the plan. Today there is a marked trend toward the retention of a business interest wherever it is practicable to do so rather than to plan for its sale.

"In general, there are several economic reasons for this trend. In the past decade the average small business has enjoyed unprecedented growth. Values are higher because of both natural growth and inflation, and surpluses are larger. Family income has become geared to business profits and most owners recognize that the proceeds from the sale of the business, when invested, would result in much less income to the family unit. Fur-

thermore, the problem of selling a valuable interest has been intensified in recent years for the reason that junior executives or other logical purchasers have not been in a position to accumulate personal capital because of the high cost of living and high income tax structure.

"The decision whether or not to sell or retain a business interest at the time of death is starkly realistic and practical. It involves a complete analysis of business factors, including the finances of the business and of the estate as well as family considerations and desires. Among the factors which must be considered in determining this problem are the following:

"1. Does the individual own the controlling interest in the business? If not, is ownership split up in such a way so that no one else owns the controlling interest?

"2. What effect will the owner's death have upon the management of the business, and will it be possible to provide for the continuation of adequate and competent management after the owner's death, either through family members or from other sources?

"3. Does the enterprise enjoy a reasonably safe competitive position so that with proper management it will be able to maintain the necessary volume of business?

"4. Will the credit position of the enterprise be affected by the owner's death, and will it be able to maintain the necessary lines of credit?

"5. Does the business have a favorable record for producing profits, and is it reasonable to expect that the family will derive sufficient income from the retained business to justify the investment risk involved?

"6. Does the owner have sufficient assets outside of the business to pay his debts, the costs of settling his estate, and the death taxes which will be levied against all of the assets in his estate, including his business interest?

"7. After settling the estate and paying the taxes, will there be a sufficient amount of life insurance or other liquid funds to provide dependents with a margin of safety should the business at any time be unable to make profits?"

If it is decided that the business interest should be sold at the time of death, Mr. McKenney stressed that it is certainly advantageous that plans be made to sell it at the highest price obtainable.

"As a general rule, a buy and sell agreement is the logical way of planning for such sale, and where possible the prospective buyers should underwrite their future financial obligation through the purchase and ownership of life insurance on the seller's life," he said.

"If the business interest is to be retained, there are several areas where protection is needed. For example, there must be ample liquidity for the

settlement of the estate and the payment of taxes. Again, it may be imperative that new capital or additional capital be paid into the business or the estate at the time of death to stabilize the business during the transitional period which may follow the owner's death. Furthermore, it may be essential to provide a means under the estate plan for the payment of income to family members should the business be unable to produce profits for temporary period."

Pointing out that great care should be taken to coordinate the life insurance with the general estate in such a way that the advantages of the insurance will be available to the executor at the time of death, Mr. McKenney said: "Experience has revealed many horrible examples of the unfortunate results which occur when insurance is purchased in order to acquire a business interest or for providing the estate with liquidity but is made payable to one or more beneficiaries under the options. In such a case, the insurance is not available to the executor, creditors may object, tax advantages may be lost or it may not be used for its intended purpose.

"In view of the fact that the amount of liquidity which will be required for the settlement of an estate when a business interest is to be retained is usually uncertain, the life insurance trust offers a very practical and convenient solution for this problem. Insurance which is carried for liquidity purposes can be paid to such a trust at the time of death, and under its terms, the trustee can be directed either to lend money to the executor or to purchase assets from the estate. In either case, funds are made available to the executor, and the estate can be settled with facility and with a minimum of delay. Any funds not needed for settling the estate can remain in the life insurance trust for family protection. Such a trust can contain identical provisions with the trust under the will so that the two may be administered on a parallel basis, or if permitted under state law, the executor may be directed to distribute the rest and residue of the estate to the trustee under the insurance trust so that thereafter only one trust will be in existence."

The program for the second day included both a morning and an evening session and was devoted to a round table discussion of the revenue act of 1954. Provisions of the act and the sales opportunities presented to the life insurance man were thoroughly covered. Discussion leaders were Mr. Starr as chairman, Daton Gilbert, 2nd vice-president and actuary; Paul A. Hoeffer, assistant counsel, and Ralph J. Chittick, attorney.

In a stimulating talk on the last day of the meeting on the sales opportunities for life insurance, Arno H. Johnson, vice-president and director of research for the J. Walter Thompson advertising agency of New York City, indicated that American families need at least 65% more life insurance than they own today. His estimate is based on the life insurance premiums paid by each income group in 1941. Today, because of higher incomes and larger population, families in similar income circumstances could pay premiums of \$8.7 billion in 1954.

Mr. Johnson feels that the real opportunities for further growth of life insurance have been obscured by the very substantial growth of life insurance and by the effects of inflation.

"In terms of 'real' dollars (corrected for inflation) life insurance in force

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

ACTUARIAL ACCOUNTS SUPERVISOR

Ranking long-established consulting actuarial firm in New York City with over 50 employees and full complement of IBM machines (including 604's), concentrating on developing, establishing, and maintaining employee pension systems has an opening for an Actuarial Accounts Supervisor. This firm operates purely on a professional fee basis and does not accept commissions or brokerages.

Associate membership in the Society, or at least 4 parts of the Associateship examinations, are required.

No consulting experience is necessary but would be welcome. Other actuaries on our staff will train the applicant in all phases of pension consulting and actuarial valuation procedures.

SALARY UP TO \$10,000 to Start. Plus Moving Expenses

We consider this opening an outstanding opportunity to enter the higher levels of the consulting actuarial profession.

All replies will be held in absolute confidence. This ad will run for 3 consecutive weeks starting September 3rd.

Address A-75, The National Underwriter, 175 West Jackson Blvd., Chicago 4, Illinois.

CHIEF HOME OFFICE LIFE AND A&H UNDERWRITER

wanted by small but well-capitalized growing company. Must be thoroughly experienced. Age 30 to 40. Should be able to take charge of Dept. Excellent salary. Real opportunity for right party. Write fully in first letter. Address all replies in complete confidence to National Underwriter Box A-73, 175 W. Jackson Blvd., Chicago 4, Illinois.

ACTUARIAL OPPORTUNITY

OLD established medium sized eastern company doing both ordinary and weekly premium has an immediate opening for a young man who has passed at least 3 examinations of the Society of Actuaries. We offer an exceptional opportunity with an unlimited future. Starting salary between \$6,000 and \$7,000 per year depending upon qualifications. All applications will be held in confidence. Give full details by letter, including a recent photograph. Address NY-19, The National Underwriter Co., 99 John Street, New York 38, New York.

SUPERVISOR WANTED

Established Life Agency in Los Angeles needs Supervisor. Preference given to young man desiring training for own General Agency. Starting salary \$4,800.00 plus bonus. Earnings should exceed \$7,500.00 per year. Write Howard E. Nevenon, General Agent, Washington National Insurance Co., 3580 Wilshire Blvd., Los Angeles 5, Calif.

Position with unusual opportunities open for DIRECTOR OF AGENCIES

with recently organized Indiana life company (not combination). Salary and incentive plan aggregating up to \$15,000 per annum. Box A-57, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACCOUNTANT—COMPTROLLER

RAPIDLY-GROWING LIFE AND A&H COMPANY REQUIRES EXPERIENCED HOME OFFICE ACCOUNTANT WITH EXECUTIVE AND ADMINISTRATIVE ABILITY. MUST BE ABLE TO PREPARE ANNUAL STATEMENT BLANK, SET UP ACCOUNTING PROCEDURES AND HOME OFFICE RECORDS AND ACCOUNTING SYSTEMS. AGE 30 TO 45. GOOD SALARY WITH OPPORTUNITY TO ADVANCE TO OFFICERSHIP OF COMPANY WITHIN 2 TO 3 YEARS DEPENDING ON PROVEN ABILITY. CITY WITH POPULATION OF ABOUT 200,000. CLIMATE MILD YEAR-ROUND COMPARABLE TO SOUTHERN CALIFORNIA. WRITE COMPLETE EXPERIENCE BACKGROUND. ENCLOSE RECENT SNAPSHOT. ALL REPLIES COMPLETELY CONFIDENTIAL. ADDRESS YOUR REPLY TO NATIONAL UNDERWRITER BOX A-72, 175 W. JACKSON BLVD., CHICAGO 4, ILLINOIS.

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and total assets in 1953 were approxi-
mately 40% above the 1939 level. In
contrast with this 40% increase, our
level of national production was 108%
above 1939, our purchasing power or
disposable personal income, after taxes,
was 84% greater, and our standard
of living, as measured by total per-
sonal consumption was 76% greater.
The amount being put aside in per-
sonal savings was 259% greater—all
measured in 'real' dollars after taking
out the influence of inflation."

His views as an economist are en-
couraging, for he believes that "we

do not need to have any sustained
downswing in our economy just be-
cause defense needs are less or because
inflation pressures have abated—these
are favorable rather than unfavorable
factors and can lead to new levels of
prosperity. But the attainment of new
levels of prosperity will depend large-
ly on our recognition that expanding
consumption through mass movements
to better living standards is the key
to keeping our production and em-
ployment high—and is the key also to
a strong defense and a balanced budg-
et."

Mr. Johnson anticipates a 10% in-
crease in sales of consumer goods and
services and hence in the standard of
living within the next 1½ years. Fur-
thermore, he believes there is the op-
portunity for a one-third higher stand-
ard of living by 1960.

However, Mr. Johnson believes that
aggressive selling and advertising is
needed to bring consumption up to
productive ability.

"The high level of consumer pur-
chasing power and consumer savings
is further indicated by the continued
low redemption of matured savings
bonds. In the first six months of 1954,
\$3,061,000,000 of 'E' bonds matured.
Only \$810,000,000 or 26% were cashed
in. The other 74% was reinvested by
being allowed to continue."

An important shift has taken place
in the character of average family
purchasing power, Mr. Johnson said.
"In 1940 when our total disposable per-
sonal income after taxes was \$75.7
billion our population used \$49.2 bil-
lion of this for basic living costs, the
necessities of food, clothing, and shel-
ter—the remaining \$26.5 billion or 35%
was available for all other items mak-
ing up the 1940 standard of living or
savings; \$3.7 billion represented per-
sonal savings in 1940."

But disposable personal income in
1954 is at the annual rate of \$252 bil-
lion and the consuming public has
\$138 billion of discretionary buying
power. In 1954 savings of \$20 billion
represents 14% of the greatly expand-
ed discretionary power of \$138 billion.
In 1940 life insurance premiums of
\$3.9 billion represented 14½% of dis-
cretionary spending power while in
1954 this percentage dropped to 8½%.

Mr. Johnson, therefore, feels that
even after high taxes and inflation
people have the discretionary spending
power to own much more life insur-
ance than they now have.

Today there are 34.7 million families
with annual incomes over \$3,000 com-
pared to 5.7 million families in 1941.

These families are a fine market for
life insurance not only because of their
income but also because they are
young. Over half of the families were
formed within the last 10 years.

Mr. Johnson pointed to several other
reasons why today's families are bet-
ter prospects for life insurance, among
them being the fact that there are
more children per family and that the
proportion of home owners has in-
creased.

Kirchberg Is Brokerage Manager

A. Jerry Kirchberg, Jr., has been
named Loop brokerage manager of
the J. Gordon Michaels agency of
Continental Assurance, Chicago. Mr.
Kirchberg has had more than four
years of life insurance experience both
in the field and in a supervisory capac-
ity. Most recently he was brokerage
manager for the Robert J. Murphy &
Associates agency of Prudential,
Chicago.

• Fidelity Life of Illinois and Mid-
West Life of Nebraska have been li-
censed in Ohio.



*"All men are endowed with certain inalienable rights . . .
life, liberty, and the pursuit of happiness."*

JEFFERSON'S wise thinking, spurs into action

the man eagerly looking for a profitable achieve-
ment of future happiness. If you are a man like

this and capable of general agent responsibility—

National Reserve Life offers you real opportunity.

In the rich region west of the Mississippi, our one

hundred and fifty-five million dollar company is

currently moving forward in a dynamic expansion

campaign. Correspondence and exchange of infor-

mation will be held in mutual confidence. Be wise

—send now for complete information without

obligation, to help you achieve success in, "life,

liberty, and the pursuit of happiness!"

Write W. E. Moore, Agcy. V.P., Agcy. Hq., Topeka
S. H. Witmer, Chm. of the Board. H. O. Chapman, Pres.



**NATIONAL RESERVE
LIFE INSURANCE COMPANY**

TOPEKA • • • SIOUX FALLS

Strong as the Strongest - Enduring as Rushmore



QUALIFIED

Ransom Strickland, Norfolk, is the
youngest man in the Diamond
Circle of top Pacific Mutual field
leaders.

"If there is any sure recipe for
field achievement", declares Ran-
som, "I believe it's in knowing
from the start that you're condi-
tioned to make the grade.

"Pacific Mutual's Pre-Induction
Tests showed I could succeed. So
I always know that my investments
in study and hard work will pay off.
I never need to wonder whether
I'm in the right business!"

**Pacific
Mutual**

LIFE INSURANCE COMPANY

HOME OFFICE: LOS ANGELES, CALIF.

GIANT OF THE PACIFIC

1868

LIFE-ACCIDENT & HEALTH
RETIREMENT PLANS—GROUP

Pertinent Statistics



JULY 1, 1954

Insurance In Force.....	Over \$793,000,000
Ledger Assets.....	Over \$179,000,000
Benefits Paid Since Organization.....	Over \$ 79,000,000
Certificates In Force.....	Over 487,000

Aid Association for Lutherans

Legal Reserve Fraternal Life Insurance

Home Office: Appleton, Wisconsin

Eyes Misrepresentation in A&H Field and Effect of New Uniform Provisions

Representation as distinguished from misrepresentation in accident and sickness policies was discussed by Theodore J. Fraizer of the Lincoln, Nebr. law firm of Fraizer & Fraizer at the insurance section of the American Bar Assn. in Chicago. He emphasized the effect of the new policy provisions law, which has been enacted or will be in use in 44 states and the

District of Columbia. It will become mandatory in all states where enacted by Jan. 1, 1957 at the latest, and many insurers currently are issuing their policies with these new clauses.

At present, Minnesota, Missouri, Oklahoma and West Virginia are the only states which do not have the new law or permit its use under administrative regulation. He said he had found no case in which has been considered the time limit on certain defenses in A&S policies as set forth in the new provisions. Those who have helped develop the new uniform provisions believe the one dealing with time limit on certain defenses introduces a new principle in A&S insurance by guaranteeing to insured that if the policy has been in force for three (or two) years, no claim will be denied on the basis of misstatement in the application or on the contention that any infirmity existed prior to the date of policy issue. This does not exclude the defense of fraud. The provision is not as all inclusive as the incontestable clause which has been a common provision in life policies for many years, he said. In certain non-cancellable A&S policies the time limit provision may be found to carry the title of incontestable.

Attorneys for insured and those representing companies writing A&H insurance will no doubt find these new provisions saving many misunderstandings between insured and company and also helping to solve the problem of the agent being alleged to have recorded incorrect answers.

Mr. Fraizer noted that most insurance is promoted and sold by agents who verbally described the policy benefits, terms, exceptions and conditions. The applicant seldom sees the policy prior to issuance. The policy being in writing, evidence of an agent's misrepresentation of its contents and coverage is not admissible. However, he noted that in a significant life case the Kansas court found sufficient fraud in the agent's representations to void the written contract and direct a return of premium to insured.

May advertising be evidence of misrepresenting the actual terms and conditions of a policy? The question has

never been directly presented, but a brochure or pamphlet advertising an insurer and its policies and service and containing a blank application was held to be properly admitted in evidence to show that insured had dealings with the company.

It is common for the application to be filled out by the agent who asks questions and records the answers. In certain instances insured alleges he correctly and fully answered the questions but the agent recorded them incorrectly. Where the application contains no limitation of the agent's authority it is generally held that the agent is representing the company and thereby the company has constructive notice of all answers and statements made by the applicant to the agent. When insurance is procured through a broker, it must be determined which party the broker represents before it can be determined whether or not the company had notice.

An applicant may not know he has a disease or condition which may affect his health within a short time. The common law rule that all answers are deemed warranties has been amended by statute in most states so they will be considered only representations. Insured has been further protected from misstatements found in an application being used in defense of their claim by reference to required standard provision No. 2 or the new uniform provision No. 1 in which it is provided that no statement made by the applicant for insurance not included in the policy shall avoid the policy or be used in any legal proceeding thereunder.

Mr. Fraizer noted it is a practice of companies writing A&S to attach copies of the application to commercial policies and constitute them part of the contract but to allow their industrial policies to stand on the terms of the contract without the application being attached or forming a part of the agreement. The literal wording and general interpretation of standard provision No. 2 and uniform provision No. 1 would eliminate the application for an industrial policy for consideration or as an item of evidence in an action on such a policy. An infringement upon this general interpretation was found in a recent case where it was held the statements contained in

the application, which was not attached to or made a part of the policy, could be considered on the question of fraud in the procuring of insurance but could not be considered for the purpose of avoiding liability under the terms of the contract. This seems to circumvent the question of misrepresentation by permitting inquiry into the existence of fraud in the inception of the policy.

Purpose of the application is to elicit specific information concerning the potential insured. In one case of insured who was stabbed to death, the insured denied liability on the ground insured failed to disclose he had an alias, had been involved in a criminal action, and had served a prison sentence. There were misrepresentations about habits. The court found the utmost good faith is required of insured because the company takes a risk largely on representations of insured, and there may be misrepresentations by concealment.

Medical and health questions offer the most chance for litigation involving misrepresentations. When a physician is periodically consulted, is one under his care? In a case involving a questionable spot on the lungs and periodic consultations with a doctor, the court held that a reasonable man could take the view that periodic precautionary checkups every six months at which no medication was given, no treatment prescribed, and no advice given save a cautionary admonition that it would be well to return in six months, contained no elements of care and were solely examinations.

Perhaps insured completely fails to reveal his past history of medical treatment or consultation, though the application calls for such information. Under these circumstances, and if his claim for disability or indemnification were hospital expenses due to a cause entirely foreign to his earlier sicknesses, he may still recover under the policy.

Many cases where misrepresentations are alleged indicate insured may have given truthful and complete answers but the agent failed to make an accurate record. If the application is attached to and made a part of the policy contract, does insured have the duty of inspecting the policy and attached application and giving notice of false answers? Courts are quite liberal in this feature because they recognize that a policy is seldom examined when received. Recently a court decided that when false answers are inserted by the agent, insured applicant is excused from reading the application at the time it is executed. Thereafter there is no duty on insured to examine the application after the policy is issued. The company would have to show actual knowledge of the false answers after delivery of the policy to show such fraud on the part of insured as would void the contract.

Most situations concerning prior impairments of health or physical conditions existing at the time the insurance is being sold and put into effect manifest themselves in the application and representations therein. Closely akin to this matter are the actual terms of the contract governing the commencement of an illness for which benefits will be paid. It may be that insured had a latent condition which never caused trouble or disability, but after the policy became effective the condition became patent and was considered to have arisen or commenced under the policy coverage.

C.L.U.

spells
sales
success

as demonstrated by one of
Aetna Life's leading leaders,

Harold A. Aubry, C.L.U.,
Toledo

"The big insurance buyer — doctor, attorney, accountant, business executive — recognizes the C.L.U. designation as the seal of the select in the life insurance business. Being a Chartered Life Underwriter has meant invaluable prestige to me, and I believe that prestige and big production are closely related."

Harold A. Aubry, C.L.U.,
Aetna Life Insurance Company
Toledo



Hartford, Conn.



The Scots had a word for it...

In Scottish history the word "association" implied the same meaning as "company" and designated a group of people banded together for their own protection at the lowest individual cost.

This mutual security was the aim of the founders of Confederation Life. So 83 years ago, when they formed their company, they called it "Confederation Life Association".

Now one of the oldest insurance companies in North America, Confederation Life has over one and a quarter billion dollars of life insurance in force!

OFFICES IN:

Detroit	Lansing	Pontiac
Midland	Flint	Grand Rapids
Cleveland	Elyria	Canton
Columbus	Philadelphia	

Confederation Life
ASSOCIATION

HEAD OFFICE

TORONTO, CANADA

FOUNDED 1871

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Tells Managers How to Gel Items in Trade Press

(CONTINUED FROM PAGE 2)

however, it is still a good idea to send a picture with every story which reasonably supports one. Just remember that, as with the story, there is no guarantee the editor will use the picture.

Some home offices make the cuts and send them to the papers. Trade editors greatly appreciate any help with expenses but usually prefer that you do not make cuts. If you want to give newsworthy pictures a better chance of appearing, send along an authorization to bill if used. (Prices vary, but a 2 x 2 inch cut, 100 screen on zinc, is seldom more than \$4.) This way nobody's money is wasted if the picture cannot be used. If the editor does use it he is able to make the cut just the size and way he wants.

When a picture does not appear there is usually a logical reason. Perhaps it is because of conditions similar to those described by one editor: "We are deluged with pictures. Some companies send as many as 10 of them in one mail. Few send cuts or offer to pay for cuts if pictures are used. They regard it as the special duty of an insurance paper to print cuts of all people being advanced. Recently one company advanced 19 men in one operation."

"The trouble with many releases," one editor says, "is that they are written, quite understandably, to brag up the agency or agent. This is all right with us but the sender often fails to make the man or his achievements at all interesting. Even when the writer says something specific, it is often meaningless, like 'exceeded his quota by 124%' or topped last year by 18%. These are like the ads that say Mother Fletcher's pies are 'better.' Better than what?"

Another editor sums it up this way: "What is wrong with a large percentage of insurance releases is that they are written from the agent's or agency's viewpoint with apparently little grasp of what the editor is likely to think will be interesting to other readers outside of that particularly agency."

Most editors who emphasize news items (as opposed to feature articles) agree they want items on achievements of agencies and their members. But, as one editor expresses it, "on a far more limited basis than many managers realize." Thus one paper limits agency achievement items to the company's top agency, or at most, to the top three agencies. Even this rule may go by the boards if the company's scale of operations is so limited that comparatively few readers would be interested.

Lack of space is a frequent limitation and editors are quick to remind contributors that "newspaper columns are not made of India rubber." One editor states bluntly his major objection to most releases he gets: "They are too long."

Despite the fact that trade editors receive more material for each issue than they can print, they will usually devote brief space (maybe just a few lines of type) to a large class of agency news items. Scan the columns of many insurance papers and note the short items on a new agency location, the appointment of a supervisor, or other similar agency news. One editor explains: "We always use these when we get them but we don't make any effort to go after them."

Since all contributions must compete with other news on hand, the story which is printed during the light summer months might not make the grade during the week of the NALU convention.

It is also obvious that the more news items each agency sends to the trade papers the greater the competition for space. Editors must look at the big picture and often when they reject a particular type of item it is because they fear they may open the floodgates.

One editor says: "What we would not care about is for each agency to send us a story on its man-of-the-year or top-ranking agent. You could readily see where this would lead."

Another editor whose circulation centers around one large city says: "We have to be alert not to print something which will irritate other agencies that may not be getting a play in the press. At the same time we cannot neglect real news."

Reading the trade press, you may sometimes sense a lack of consistency in the quality of news printed. This lack does often exist and there's a good reason for it. Rarely does a paper have just the right amount of news to fill the space available. Because of the way these publications are assembled, pages must be added or subtracted in even fours. Thus when an editor has just enough legitimate news to fill 22 pages, he must make the choice of stretching out to 24, or cutting back to 20. If he expands, he lets in a certain amount of poor quality items that ordinarily would not make the grade. If he cuts back to 20 pages, he squeezes out some good quality material.

One editor puts it this way: "Sometimes a manager offers us an item and is irked when we don't run it. His feeling—he has seen us print a lot poorer stuff. Sure we did, but not by choice."

While here the emphasis has been on news reporting, it is essential that the agency head does not overlook the magazines devoted primarily to articles by successful producers or managers on how-to-do-it aspects of their jobs. These magazines offer good opportunities for members of your agency to break into print and become well known throughout the entire life insurance business.

Editors cannot possibly smoke out all contributions. They will welcome articles you may be able to furnish. And if you're not sure about an idea for an article, check it with one of the trade editors. He will be glad to help and will tell you frankly whether or not it can fit into his publication.

While the contributor has no guarantee his article will be accepted, there are several ways he can put the odds in his favor. For example:

Be familiar with the magazine you are writing for. Ascertain who the readers are—managers? agents? CLUs? Then write directly to your audience.

Pick a subject of interest to the majority of readers.

Try to include helpful ideas or methods. Avoid rehashing material readers are already familiar with. If there is a pertinent idea which has worked for you, describe it. Tell how you use it. Give results. Be specific.

Know the "point" of your article and consistently work toward it.

If your material is simply theoretical and inspirational, perhaps it is best saved for a speech.

But, you say, no one in this agency is a professional writer. This is no problem, advises the editor of a lead-

ing management magazine. With his contributors he stresses idea-content. A poorly written article containing some solid ideas is better than a "slick piece" which says little. Remember that most editors agree "literary genius is not required in submitting articles."

Why do some men always seem to be quoted in the trade press? Likely the reason is that these men have learned what it takes. Speeches they make may be 95% hot air, but they always manage to work in a few of the comments no editor can resist quoting.

In reporting a speech, trade editors are unanimous that "we would much rather give space to the utterances of a person who has something to say than to engage in the discouraging task of reporting speeches by gentlemen who apparently only want to talk."

The editor of a leading journal explains it this way: "It is surprising how many speakers who are capable of sweeping audiences off their feet fail to say anything that will look like a worthwhile news item to an editor who pretends to any degree of discrimination... The idea content is almost nil, but who cares about idea content when a speaker can bring an audience cheering to its feet as he climaxes an orgy of emotionalism with a stirring bit of verse from one of the sounder poets? Now while this kind of thing sounds good, it shore don't read good. If our speaker had only interpolated, toward the front of his speech before he had worked up a full head of steam, something in the way of an opinion, or a viewpoint, a conclusion, a warning, or even a dire prediction, he would have guaranteed himself a decent write-up in the trade press and maybe the local newspapers besides... Even some pretty technical talks can be insured a good press if the speaker only has the forethought to put in something that the gentlemen of the press can latch on to. That this something is brief is no drawback, for a direct quotation of even a very few minutes of speaking occupies a sizable amount of print, probably as much as the reporter could give the speaker for his entire talk anyway..."

Perhaps the best way to build good relations with a man is to do him a favor. The way to do an editor a favor is to lead him to a good story, even though this story has nothing to do with you. The editor is going to be appreciative. Being human, he is likely to treat your future contributions with increased consideration.

IWO Reinsurance Complete

NEW YORK—Reinsurance of the business of International Workers Order by Continental Assurance, announced some months ago by the New York department as IWO liquidator, has been officially effected. Continental was asked by Superintendent Bohlinger of New York to reinsure the fraternal, after its liquidation by the department was upheld by the U. S. Supreme Court on the ground that IWO was a communist front organization. Under the reinsurance agreement certificateholders will have the privilege of continuing their life and A&H insurance or of presenting a claim to the liquidator for an equitable share in the society's surplus assets.

Bell Listed for 4 Sept. Meets

Hugh Bell, Equitable of Iowa agent at Seattle and author of books and articles on selling, in addition to appearing on the general agents and managers conference program at the NALU meeting at Boston will speak in Newark, Sept. 16; Chicago, Sept. 27, and Fort Wayne, Sept. 28.

Floyd Gish, B. C. McQuirk Named by Gibraltar Life

Gibraltar Life has named Floyd Gish general agent at Dallas and Bernard C. McQuirk supervisor of new agent training.

For 11 years Mr. Gish was with Volunteer State Life at Dallas as an agent and general agent, and for the past 18 months has been vice-president and agency director of another Dallas life company.

Formerly with Connecticut Mutual at Dallas, Mr. McQuirk before that was with the Prudential at Wichita Falls and Fort Worth.

West Coast Life Leaders Meet; McKelvey President

By writing nearly a million of new business on more than 50 lives, Harold McKelvey, Spokane, becomes president of the West Coast Life Leaders' Club and will preside at the club convention to be held Sept. 6-10 at Lake Tahoe, Cal. About 150 producers and company officials, and their wives, will attend.

Mr. McKelvey has been a West Coast Life manager since 1951. Other officers are Robert Woo, San Francisco, 1st vice-president; James Lee, Portland, 2nd vice-president, Bruce Waugh (deceased), Tacoma, 3rd vice-president, and S. Thomas Liu, Oakland, 4th vice-president.

N. E. Mutual Fills N. M. Post

Robert F. Richter has been appointed manager for New England Mutual in Albuquerque. He has had charge of the district office in Tucson since his arrival in the southwest in 1952. He started in insurance in 1946 in Reading, Pa., as a partner in the Richter & Richter general insurance agency, after which he developed a district agency in Reading for Connecticut Mutual. He is an air force veteran.



Robert F. Richter

Occidental Cuts Air Rates

Occidental of California has reduced extra premiums for some civilian aviation coverages when no unusual hazard is apparent.

Extra premiums for pilots and crew members of regularly scheduled U. S. and Canadian passenger airlines have been reduced from \$3 to \$2.50 per \$1,000 and non-commercial pilots from \$5 to \$3.75. The latter group includes student and private pilots with less than 100 hours solo experience, who were formerly charged \$10 per \$1,000 for one year and \$5 thereafter.

Equitable, Ia., Alters Cover

Equitable of Iowa has increased its non-medical limits as follows: Ages 0-5, \$5,000 (\$7,500 until examined); ages 6-30, \$10,000; ages 31-35, \$7,500 (\$10,000 until examined); ages 36-40, \$5,000 (\$7,500 until examined).

All plans except five-year term and 10-year term and policies with income disability benefits are considered non-medically.

Brokerage Post to Falkstein

Frank B. Falkstein has been named manager of Prudential's southwestern home office brokerage agency at Houston. He succeeds Charles D. Stephens who has joined the ordinary agency's department staff of the southwestern home office.

Mr. Falkstein has been in insurance 25 years and went with Prudential in 1946, advancing to manager at San Antonio.

List International Claim Assn. Speakers

First-day speakers at the International Claim Assn. annual meeting at Portsmouth, N. H., Sept. 13-15 will include Governor Gregg of New Hampshire, E. J. Bohne, Equitable Society, association president; Ralph R. Lounsbury, president of Bankers National Life and of American Life Convention, and Dr. Baldwin L. Keyes, professor of psychiatry, Jefferson Medical College, who will talk on the psychiatric approach to the handling of claims.

Commissioner Knowlton of New Hampshire will give the only formal address the second day. The rest of the day, in response to an overwhelming demand from the members, will be devoted exclusively to seminars. Daniel A. McCabe of Prudential will lead the life seminar, Howard Le Clair, Mutual Benefit H&A, the one on A&H, and George Lane, Metropolitan Life, the group seminar. Seminars will run consecutively.

Third-day speakers will be Dr. W. H. Scoins, chief medical director of Lincoln National Life, who will speak on the relationship between the medical and claim departments, and Edward T. Welch, New York City attorney, will discuss the problem of suicide as it is affected by statutes and decisions in New York. There will be a clambake on the beach Sunday afternoon, Sept. 12.

Employee Benefit Plan Conference Oct. 21-22

The annual conference of Council on Employee Benefit Plans will be held at the Hotel Commodore, New York City Oct. 21-22. The program, partially completed, includes talks on the guaranteed annual wage by Russell Hubbard of General Electric, cost of fringe benefits by Fred D. Lindsey, U. S. Chamber of Commerce, and the future of major medical and catastrophic insurance benefits by Joseph W. Moran, New York Life, George C. Foust, Jr., of Towers, Perrin, Forster & Crosby, Philadelphia, and James Gillen of General Motors.

Also, hospitalization and surgical benefits, insured or Blue Cross, by E. A. Van Steenwyck, executive director of Associated Hospital Service of Philadelphia, and continuance of group insurance after retirement by Jay Lindower, Owens-Illinois Glass Co., preparation for retirement, Robert K. Burns, University of Chicago, and how the pension trust dollar should be invested, by Charles W. Farnum, Bankers Trust Co., New York City.

There will be open forums on retirement procedures, led by Dwight S. Sargent, Consolidated Edison Co. of New York, on supplementation of preventive medicine, led by Dr. John J. Pontas, medical director of Lever Brothers Co.

Code Cures Unfair Tax on Posthumous Commissions

(CONTINUED FROM PAGE 1)
in the widow's last return, with the next taker paying no income tax on the commissions as received."

Another section which Mr. Brunstrom discussed deals with the situation of an employee who elects a joint and survivor annuity under a company pension plan. The internal revenue bureau has been holding in such situations that the value of the survivor portion of the annuity constituted

N. E. Mutual Changes Life-Income Values

New England Mutual has introduced a complete set of new policy forms incorporating changes in its life income settlement options. The new option values are based on 2½% of interest and the company's mortality table, called the "106" table because it produced expectations of life at all ages at least as great as 106% of expectations by the unmodified 1937 standard annuity table.

The new factors for monthly income for 10 years cetrain and life compaed with the old factors at various ages are:

Males at age 50, formerly \$4.50, now \$4.27; age 60, formerly \$5.61, now \$5.48; age 70, formerly \$7.07, now \$6.99. Females at age 50, formerly \$4.02, now \$3.86; age 60, formerly \$4.90, now \$4.81; age 70, formerly \$6.16, now \$6.21.

One effect of the change will be to increase the maturity values on most retirement income contracts. However, gross premiums for retirement income policies maturing at ages 65 and higher remain the same as formerly and the adjustment in cost is made entirely through annual dividends.

Equivalent changes have been made in the monthly incomes purchased by retirement annuity premiums.

The company has also introduced, for use only in New York, an additional junior estate builder contract providing a return of premium death benefit below age five.

property and was subject to estate tax. However, this "present value" was used as the "consideration" for application of the 3% rule that applied to income tax on annuities prior to the new code's enactment.

The code provides that in qualified pension plans only the amount contributed by the employee shall be taken into account in computing estate tax. Whatever portion of the estate tax is attributable to the employee's contributions is prorated over the survivor's life expectancy as a deduction in computing income tax.

Mr. Brunstrom also discussed in considerable detail the other provisions of the law dealing with life insurance aspects of the new code.

Program Details Listed for GAMC Boston Meet

(CONTINUED FROM PAGE 1)
president Metropolitan Life; B. J. O'Donnell John Hancock, Worcester, Mass., on "Securing the New Man"; George J. Mucey, Baltimore Life, Washington, Pa., "Pre-Debit Training"; Tom P. Henderson, Jr., National Life & Accident, Nashville, "Early Training and Supervision"; and Leonard T. Smith, Prudential, Providence, "Maintaining Success Through the First Year."

Splitting the group into concurrent combination and ordinary panels reflects GAMC leaders' desire to augment in a specific way what the conference is doing for the combination manager. They have also urged that area management conferences hold similar concurrent panels. This idea is already being put into effect.

John Hancock Course Ended

The newly inaugurated study course in technical aspects of pension planning given by the John Hancock general agency departments has been completed. Twenty-four men took the course.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

delivers his report Wednesday morning and also will moderate a panel discussion at the final general session. Participants are Henry F. Rood, vice-president and actuary Lincoln National Life; Travis T. Wallace, president Great American Reserve Life; Rolland E. Irish, president Union Mutual Life; G. D. Brooks, vice-president and treasurer National Life & Accident; Clarence L. Peterson, vice-president and general counsel Ohio State Life; Leigh Cruess, vice-president and chief actuary Mutual Life of New York.

Guardian Fills Two Home Office Posts

Guardian Life has promoted Earl W. Cryer, field training supervisor since March, 1953, to director of field training and has named John Walber as field training assistant to work with Mr. Cryer in administering the training program. Mr. Cryer entered life insurance in 1940 as a Mutual Benefit Life agent and was later field training assistant and assistant field training director. He is a CLU. Mr. Walber joins Guardian after three years as a life agent. He is an army veteran and a member of the New York bar.

NALU-Mutual Fund Committee Meets in N. Y.

The first meeting of the newly created joint committee representing National Assn. of Life Underwriters and mutual fund interests was held here this week. The purpose of the meeting was to establish plans for developing a program to be sponsored jointly by NALU and the National Assn. of Investment Companies. Chief aim of the joint effort is to increase mutual understanding of the operations, objectives and services of the two businesses so that field representatives of each will be able to render better service to their clients.

The initial meeting of the joint committee was devoted to outlining the subjects to be studied as part of the committee's program. Representing NALU at the meeting were David B. Fluegelman, Connecticut Mutual, New York City, immediate past president of NALU and chairman of its group committee; Wilfrid E. Jones, NALU director of public relations; Stanley J. Lonsdale, Fidelity Mutual Life, Bridgeport, Conn.; Benjamin D. Salinger, Mutual Benefit Life, New York City, president of New York State Assn. of Life Underwriters; Lester O. Schriver, NALU managing director and Merle G. Summers, New England Mutual, Boston. Representing the investment companies were John M. Sheffey and Edward B. Burr, executive secretary and public relations director respectively of National Assn. of Investment Companies, and five investment company executives.

Zurich Man Out for Commissioner Post in S. C.

Robert A. Patterson, South Carolina claims manager for Zurich and American Guarantee Liability, has announced his candidacy for the post of insurance commissioner to succeed D. D. Murphy who recently resigned to enter the insurance business. The post will be filled by the 1955 legislature, which convenes in January.

Aetna Fire V-P to Head Conn. Credit Insurer

Winslow H. Arnold, a former vice-president of Aetna Fire, has been elected president of the newly formed Credit Life of Hartford. The company will have an initial capital and surplus of about \$300,000. It will specialize in consumer credit life insurance, concentrating at first on coverage through banks, loan companies, credit unions and installment houses.

List Coming N.A.I.C. Meeting Dates

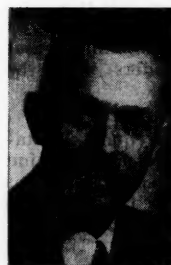
Upcoming National Assn. of Insurance Commissioners meetings include those of the life blank instructions subcommittee Oct. 4-6 at Chicago, the uniform accounting subcommittee Oct. 7-8 at Chicago, and the zone 4 meeting Oct. 20-21 at Catarack hotel, Sioux Falls, S. D. The semi-annual meeting is set for Nov. 29-Dec. 3 in the Commodore hotel, New York City.

W. V. Courtney to W. Va.

William V. Courtney has been named manager for New England Mutual in Parkersburg, W. Va. He has been supervisor in the Washington, D. C., agency. He is a graduate of Wharton school and entered insurance in 1948. He qualified for the company's leaders association his first year of business and became a supervisor in 1951.



ALBERT A. TOUSAW, assistant to the president of Sun Life of Canada, died in Montreal. He had been in ill health for several months. Mr. Tousaw went with the company in 1922, becoming assistant actuary in 1934, advancing through the years to his most recent post. An associate of the Society of Actuaries, he was a well known figure, representing his company at numerous National Assn. of Insurance Commissioner meetings.



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Continental American G. A.

Continental American has appointed Israel Unterman general agent at 135 Broadway, New York City. He is a CLU and an army veteran and was formerly an assistant manager for Home Life of New York.

C. CLARK BRYAN, JR., only son of the assistant general counsel of American Life Convention, was killed by an automobile in front of his home in Elmhurst, Ill., on his second birthday. The Bryans have four girls.

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APPEARING IN: TIME, SEPTEMBER 13 AND OCTOBER 11; IN NEWSWEEK, OCTOBER 25 AND NOVEMBER 22